

Tirana, Bonn Establish Links

BONN — West Germany and Albania established diplomatic relations Tuesday after Albania dropped its demand for World War II reparations. West German government sources said.

A formal announcement would be made after ratification of the document by the two governments, which is expected this fall, the sources said.

The two nations held secret talks in Vienna and elsewhere during the last year to overcome their differences over reparations. West Germany is a major business partner for Albania, and their bilateral trade is valued at \$3.6 million Deutsche marks (\$45 million) a year.

"The document was signed

without any conditions being tied to the establishment of diplomatic relations," one government source said.

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European country economically and politically. Albania, which has a population of 2.3 million, has diplomatic relations with more than 100 countries.

It has established formal ties with several more governments in recent months, including Spain, Jordan, the Philippines and Canada.

Albania still has no diplomatic links with Britain, the United States or the Soviet Union.

In August, Greece lifted a technical state of war with Albania that existed for more than 40 years, although the two nations established diplomatic relations in 1971.



A SCOOP IN BEIJING — Hsu Lu, left, and Li Yung-teh, touring Tiananmen Square, are the first Taiwan journalists to make a reporting trip to China since the 1949 Communist revolution. The two, who work for the Independent Evening News, are defying a Taipei ban on their visit. They said they had been promised freedom of action.

Blacks Reject Pretoria's Council Plan

JOHANNESBURG — Anti-apartheid groups and the most prominent conservative black leader in South Africa rejected a plan by the white-led Pretoria government for the election of blacks to a council with limited powers to advise the government on constitutional changes.

Rejection of the council Monday by the United Democratic Front, the biggest anti-apartheid

organization, as well as by Chief Mangosuthu Buthezi, the conservative Zulu leader who is an opponent of the front, had been widely expected.

Chief Buthezi, who opposes economic sanctions against South Africa and favors power-sharing with whites, said that he continued to reject "anything other than the full inclusion of blacks in Parliament."

However, Hudson W.E. Ntshweni, chief minister of the semi-autonomous so-called black homeland of Gazankulu, said he was prepared to serve on the proposed council provided black interests were not subverted to those of other racial groups.

He was the first conservative black leader to indicate conditional participation in the council.

The plan, presented to the white-dominated Parliament on Friday as draft legislation, provides for nine elected black members and at least 20 appointed members.

The council would have neither legislative nor executive powers but would provide some blacks with a forum to discuss constitutional changes.

Azar Cachalia, treasurer of the United Democratic Front, said, "We fear that the council is going to generate more conflict and bloodshed, the exact opposite of what the government says it hopes to achieve."

Another anti-apartheid group, the Azanian People's Organization, dismissed the council as a "temporary aberration" that would soon be consigned "to the dustbin of history."

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Killings Widen Rift Between Serbs and Albanians

BELGRADE — A barracks killing in Kosovo Province has jolted Yugoslavs and dramatized the deepening struggle between ethnic Albanians and Serbs in the province.

During the night of Sept. 1, a 20-year-old ethnic Albanian conscript ran amok with automatic weapons in a military barracks at Paracin in southern Serbia. By dawn, four non-Albanian soldiers were dead

and five were wounded. The conscript's body was found in nearby woods by troops who had riddled the area. He was officially listed as a suicide.

The funeral in Belgrade of one of the victims became the scene of a protest by more than 10,000 people, according to Zivorad Djordjevic, chief spokesman for the Serbian Republic, Kosovo, whose population is 88 percent ethnic Albanian, is an autonomous part of the republic.

"Some irrational behavior" occurred, Mr. Djordjevic said, referring to anti-Albanian slogans shouted at the funeral.

Elsewhere in Serbia, Serbian nationalists smashed the windows of several dozen shops owned by Albanians and the authorities made an undisclosed number of arrests for vandalism.

In interviews, government and Communist Party officials underlined a point that is often made by Yugoslav and foreign analysts. Although Yugoslavia's economic crisis is grave, this reasoning goes, it is discussed calmly and formulas for a solution are offered. But the Kosovo issue arouses strong passions, and no solution is in view.

"The nationalities issue is deeply disturbed and the deterioration is deepening," said Ivica Racan, a member of the Presidency of the League of Communists, the party's ruling body. "There is an irrational and passion-ridden atmosphere. There is no quick solution; repressive measures won't work."

The officials cited the often-

mentioned causes of the conflict: underdevelopment and the suspected role of neighboring Albania in fostering nationalist feelings. But they put their greatest emphasis on something new to the official discussion of Kosovo, although it has long weighed on Serbs.

"What created the problem is the demographic explosion of the Albanian population," Mr. Djordjevic said. "Even if we stop the exodus of Serbs, the Albanians have such a high growth rate that it threatens to lead to an ethnically pure Kosovo."

In 1986, Kosovo's rate of growth was 24.5 for 1,000 population, compared with 6.4 nationally; the rate of infant deaths was 55.8 for

WORLD BRIEFS

Indian Units Pressed to Disarm Tamils
COLOMBO, Sri Lanka (Combined Dispatches) — The slayings of up to 100 people on Sunday by Tamil groups has put Indian peacekeeping troops in Sri Lanka under renewed pressure to disarm militant groups as required under a treaty signed July 29, officials here said Tuesday.

"We have to get the assistance of Indian forces to drive some sense into the Tamils to stop this butchery," said Nimal de Silva, the police chief in Batticaloa district. He was referring to the Liberation Tigers of Tamil Eelam, the most militant of the Tamil guerrilla groups, which was blamed for most of the killings.

The latest violence was the worst since India and Sri Lanka signed the treaty that ended four years of fighting between Tamil separatists and government forces. India sent 8,000 troops to enforce the pact but they acknowledge that the Tamil groups have failed to surrender all their arms as the treaty stipulates. (Reuters, AP)

U.S. Reported to Plan a PLO Closure
WASHINGTON (UPI) — The State Department has decided to close the Washington office of the Palestine Liberation Organization but will allow the group's New York office to remain open, administration and congressional sources said Tuesday.

Senator Charles E. Grassley, Republican of Iowa, and Representative Jack F. Kemp, Republican of New York, have been pushing for both offices to be shut down. Mr. Grassley said a State Department announcement of the closure would be made Wednesday.

"This is truly a victory in America's fight to help put an end to terrorist organizations and terrorist perpetrators," said Mr. Kemp. "We must continue our war on terrorism until the PLO's New York office is put out of business."

Aquino Aide Spurns Talks With Rebel
MANILA (UPI) — President Corason C. Aquino's security adviser ruled out on Tuesday negotiations with Colonel Gregorio Honasan, the leader of a coup attempt on Aug. 28, and said that "new dictators" were behind the rebellion.

Emanuel Soriano reiterated Mrs. Aquino's position that there would be "no terms" with Colonel Honasan. If he surrendered, Mr. Soriano said, the colonel's safety would be assured and he would be given a fair trial.

Asked whether he thought a political group was supporting Colonel Honasan, Mr. Soriano said, "I think Honasan's group would not have done what it did unless there were other groups behind the scenes who were providing the funding and providing some kind of assistance." He added, "There may have been some people who would have emerged as the new dictators of this country" if Colonel Honasan had been successful.

Local Fanatics Blamed in Palme Death
STOCKHOLM (Reuters) — Prime Minister Olof Palme of Sweden was murdered by a small group of Swedish fanatics and not by foreign terrorists, a Swedish official said Tuesday.

Anders Fern, the outgoing Swedish ambassador to the United Nations and one of Mr. Palme's closest associates, wrote in the newspaper *Tiden* that hatred for Mr. Palme, whose confrontational politics earned him many enemies at home, grew into a plan by fanatics to have him killed in what they saw as the national interest.

Mr. Palme was shot by a lone assassin as he was walking with his wife in central Stockholm in February 1986. Suspects in the unsuccessful murder investigation have included Kurdish nationalists living in Sweden, rightist extremists, Iranian and Iraqi factions and alleged Chilean assassins.

Norway Rightists Gain in Local Voting
OSLO (AP) — The governing Labor Party suffered a setback in local and regional elections and the far-right Progress Party made strong gains and emerged as the country's third-largest, nearly complete returns showed Tuesday.

At stake were 15,000 seats on 19 county councils and 448 municipal councils. The turnout was 65.5 percent of 3.2 million eligible voters. The balloting Sunday and Monday was seen as a test of popularity for Prime Minister Gro Harlem Brundtland of the Labor Party whose minority government took over in May 1986 after the collapse of a conservative three-party coalition.

The Progress Party won 12.2 percent of the vote, up from 6.2 percent in the 1983 local elections and 4.6 percent in the 1985 general election, although it did not run candidates in every contest, the news agency NTB said. The party seeks an end to large-scale immigration. Norway grants political asylum to about 10,000 refugees a year. The party also seeks a major tax cut and less public spending.

Korean Protester in U.S. Strikes Roh
WASHINGTON (AP) — A demonstrator critical of the South Korean government struck Roh Tae Woo, the ruling party's presidential candidate, on a downtown Washington street Tuesday on the last day of his visit, witnesses said.

They said the leader of the Democratic Justice Party appeared to be shaken up but unhurt in the incident, which occurred as he arrived at the National Press Club for a luncheon speech.

The demonstrator, one of a group of about 100 youthful protesters, jumped at Mr. Roh and hit him in the shoulder before U.S. and South Korean bodyguards knocked the protester to the ground and dragged him away. Other demonstrators, Koreans living in the United States, waved placards critical of Mr. Roh and circulated leaflets describing him as "an architect of the military dictatorship" in South Korea.

Filibuster Beats Democrats in Senate
WASHINGTON (AP) — Senate Democrats failed Tuesday to break a Republican filibuster against legislation to limit spending on Senate elections, prompting the Democrats to drop their campaign financing plan until next year.

The Senate voted 51-44 in favor of forcing action on the legislation, but was nine votes short of what was needed to end debate on the issue.

The bill would establish voluntary general election spending limits ranging from \$950,000 to \$5.5 million, depending on a state's population. If one candidate observed the limits and the opponent did not, the candidate following the limits would be eligible for money from the U.S. Treasury Department to equalize the expenditures.

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Europe's Space Program Is Poised for an Advance

KOUROU, French Guiana — The West European space program, off track for 16 months because of technical failures, was poised to move forward again with the launching Tuesday night of an Ariane rocket here.

Officials at the European Space Agency and its commercial arm, Arianespace, said they are confident they have worked out the third-stage ignition problems that forced technicians to destroy an Ariane-2 on May 31, 1986. That was the 18th launch — and fourth failure — in the Ariane program.

With the U.S. space program moving slowly because of the Challenger shuttle explosion on Jan. 28,

Christian Leader Hurt in Lebanon

ZAHLE, Lebanon — Elie Hobeika, former commander of the Lebanese Forces, a coalition of Christian militias, was wounded Tuesday in a bomb attack that killed one person and injured about 30, the Lebanese Red Cross reported.

Mr. Hobeika moved to his headquarters in Zahle, a predominantly Christian town under Syrian control about 30 miles (50 kilometers) east of Beirut after being forced out as leader of the Lebanese Forces in a power struggle with the traditional Christian leadership in 1986.

He had signed a peace treaty in Damascus, under Syrian auspices, with the leaders of Lebanon's Druze and Shiite Muslim communities. The accord would have entailed a reduction in the powers of the presidency, which is traditionally held by a Maronite Christian.

TRAVEL UPDATE

Belgian Plan to Tax Visitors Assailed
STRASBOURG, France (AP) — A top European Community executive warned Belgium on Tuesday that its proposal to tax foreign motorists may violate EC laws.

The Belgian government, burdened with a huge deficit, is planning to impose a tax on tourist cars of 750 francs (\$20), starting Jan. 1. The tax on trucks and buses would be 1,500 francs (\$40).

Speaking before the European Parliament, Stanley Clinton Davis, the EC commissioner for consumer protection, said, "I sincerely hope they do not proceed with the proposal." He said that under EC laws, Belgium must consult its EC partners before imposing a road tax. Moreover, he said, the plan could violate recent EC legislation designed to reduce border controls.

Delta Air Lines has announced that it is eliminating nonrefundable fares on its discounted Maxxaver round-trip flights, saying the policy created problems for customers and confusion in the market. (AP)

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Arab Boy Killed By Israeli Troops

The Associated Press

NABLUS, Israeli-Occupied West Bank — A 12-year-old boy was shot to death and another was wounded Tuesday when Israeli troops clashed with Arab protesters at a refugee camp, a military official said.

The clashes occurred while Defense Minister Yitzhak Rabin toured Nablus, the largest Arab town in the disputed zone. Dozens of Israeli soldiers patrolled the streets, stopping and questioning Arab motorists.

The Palestine Press Service, an Arab news agency, said the boy was shot by Israeli troops during a demonstration to mark the fifth anniversary of the massacres in the Sabra and Chatila refugee camps in Lebanon.

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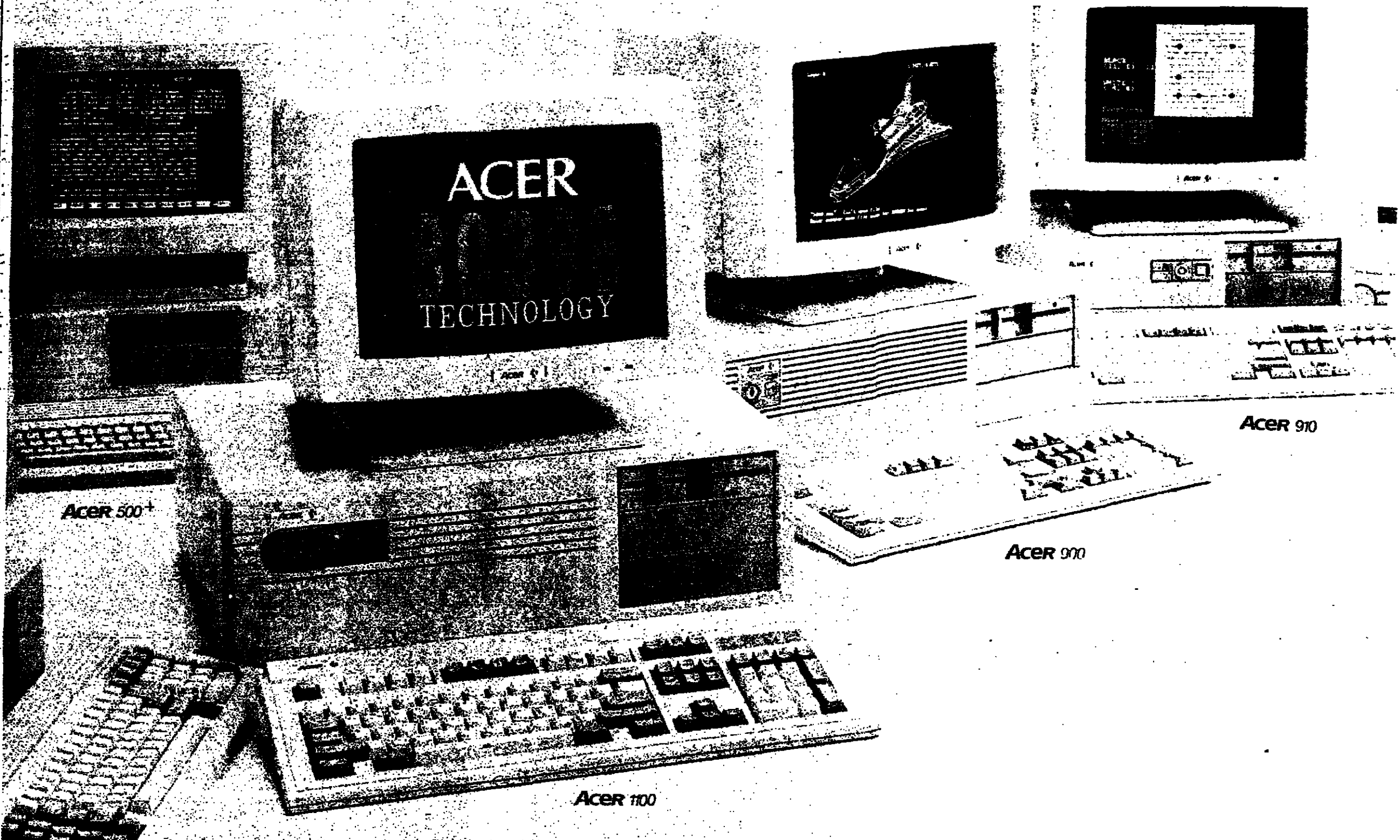
Today Acer produces comprehensive line of systems from cost effective PCs and 80386-based mode

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Acer SYS-32/300-68020-based, multiprocessor design expandable system

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Acer modems—1200/2400 bps standalone and add-on, Bell and CCITT compatible
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PEACE: Managua Pessimism Lifts Reagan Ally

(Continued from Page 1)

Nicaragua will comply with every detail of the accord. They have indicated that they are preparing to free thousands of prisoners and find a formula to negotiate a cease-fire with the contras.

Only Interior Minister Tomás Borge Martínez, who is responsible for internal security and press censorship, has refrained from detailed comment.

Mr. Borge's office said he is not giving interviews for the time being. He left Nicaragua on Saturday to visit Cuba.

After the peace accord was signed, opposition leaders quickly expressed doubt that the Sandinist government would take the accord seriously. There still is considerable skepticism, but many opposition politicians have come to embrace the agreement as an unexpected but welcome breakthrough in what had seemed a tragically intractable confrontation.

The opposition placed its seal of approval on the accord last week in a speech by Enrique Bolaños Geyer.

Mr. Bolaños heads the country's principal business federation and is among the most articulate and uncompromising Sandinist opponents in Nicaragua.

In a speech to more than 1,000 business people at a convention, Mr. Bolaños hailed the accord as "the successful culmination of our struggle."

"There is a commitment signed by President Daniel Ortega," he said, "which obliges him, among many other things, to give Nicaraguans back our rights to a free press and to complete freedom of spoken, written and televised expression, along with our unrestricted right to meet and demonstrate in public."

"And as if that were not enough," Mr. Bolaños continued, "the accord will be monitored by a National Reconciliation Commission." "On Nov. 8, we take to the streets."

ed by his eminence Miguel Cardinal Obando y Bravo.

The presence of the intensely anti-Sandinist cardinal on the commission is among the factors that seem to give the peace initiative a better chance than past efforts.

The contras view Cardinal Obando y Bravo with deep reverence. If he ever were to determine the commission is among the factors that seem to give the peace initiative a better chance than past efforts.

"I think the cardinal sees himself as the one who is finally going to fix this mess," said an opposition legislator. "He thinks that now is the time and he is the man."

In the past, the Sandinists have sought to build public support by holding a national election, promulgating a new constitution and granting autonomy to the remote eastern half of the country. But the opposition viewed the moves as largely fraudulent because there was never any doubt that the results would be as the Sandinists wished.

Many obstacles remain. One possible threat, some Central American officials say, is the Reagan administration's announcement last week that it will seek renewed funding for the contras.

"It would end the peace process," said the Salvadoran foreign minister, Ricardo Acevedo Fariña. "The Sandinists could use the new aid package as an excuse not to comply with the accord."

Despite these uncertainties, opposition leaders have begun preparing for what they hope will be a dramatically different political climate after the peace accord takes effect.

"Nov. 7 is the day the lid comes off," said Mauricio Díaz Davila, who represents opposition political parties on the Reconciliation Commission. "On Nov. 8, we take to the streets."

Reagan Ally Presses Aid For Contras

WASHINGTON — Representative Robert H. Michel, the Republican leader in the House of Representatives, said Tuesday that he would ask Congress to keep current military aid to the Nicaraguan rebels flowing during peace negotiations.

Mr. Michel's plan is to amend a short-term "continuing resolution" that keeps the government operating past the Oct. 1 start of the federal fiscal year. The amendment, he said, would keep current levels of humanitarian and communications aid and delivery of weapons flowing to the contras, about \$8.3 million a month. This aid is due to end Oct. 1.

Mr. Michel, of Illinois, said he had discussed his plan with President Ronald Reagan, an ardent supporter of the contras, and that the president had expressed no opposition.

In a peace plan jointly sponsored by the House speaker, Jim Wright, a Texas Democrat, Mr. Reagan had agreed not to press for military aid to the contras until the peace plan had a chance to succeed. The plan is to go into effect Nov. 7.

Mr. Michel, whose amendment would come before the House before the end of this month, said he did not believe his action violated the spirit of the Reagan-Wright agreement.

The president's spokesman, Marlin Fitzwater, said Mr. Reagan believed Mr. Michel's proposal was "eminently fair."

"And it is eminently unfair for the Democrats to suggest that in the continuing resolution, contra aid would be excluded," Mr. Fitzwater said, adding that it would not be breaking faith with the peace plan.

"I do not think it breaks the spirit" of the Reagan-Wright plan, Mr. Michel said after meeting with Mr. Reagan. "To do nothing breaks the spirit of an awful lot of people who were led to believe that this was going to be an even-handed negotiating posture from both sides of the table."

Mr. Michel said the continuing resolution was expected to be voted out of the Appropriations Committee this week and that he would seek on the House floor to eliminate a Democratic provision that would cut off the contra aid as of Sept. 30.

The continuing resolution is necessary because none of the spending bills to fund government agencies has been passed, and the government would run out of money Oct. 1.



Former President Gerald R. Ford, left, and Senator Bob Dole, right, introduce Robert H. Bork as the hearing on his confirmation opened before the Senate Judiciary Committee.

BORK: Precedent to Be Respected

(Continued from Page 1)

in our America, there should be no seat on the Supreme Court for Robert Bork.

Mr. Kennedy did not say what decisions he believed Judge Bork was eager to overturn. But he said he has "shown that he is hostile to the rule of law and the role of the courts in protecting individual liberty. He is instinctively biased against the claims of the average citizen and in favor of concentrations of power, whether that power is governmental or private."

Mr. Ford praised Judge Bork as "uniquely qualified."

He declared that Judge Bork's "record has been exemplary" since he took a place on the U.S. Circuit Court of Appeals for the District of Columbia five years ago.

Mr. Ford added that Judge Bork acted "with integrity" in 1975 when as solicitor general he carried out President Richard M. Nixon's order to dismiss the special Watergate prosecutor, Archibald Cox, in the so-called Saturday Night Massacre.

Senator Joseph R. Biden Jr. of Delaware, who is chairman of the Judiciary Committee and a Democratic presidential candidate, told Judge Bork that he was "no ordinary nominee" — an assessment to which the judge nodded slightly and smiled — and described him as

the "leading proponent of a provocative constitutional philosophy."

"It is one thing as a legal theorist to criticize the reasoning of a prior decision, even to criticize it severely, as I have done," Judge Bork said. "It is another and more serious thing altogether for a judge to ignore or overturn a prior decision."

In his statement, the judge stopped short of pledging total adherence to precedent, noting that the nation's highest court has overturned rulings in areas such as desegregation, as the court did in the landmark 1954 Brown vs. Board of Education decision.

President Ronald Reagan nominated Judge Bork on July 1 to replace Justice Lewis Powell, who retired. Justice Powell was often considered a swing vote between the court's conservative and liberal factions.

The Judiciary Committee will present its recommendation to the full Senate, which must decide whether to confirm Judge Bork's nomination. (UPI, AP)

Aviation Chief In U.S. Promises Pilot Regulations

WASHINGTON — The head of the Federal Aviation Administration, saying he was "deeply concerned about the rapid rise in pilot errors this year," promised new regulations Tuesday on cockpit training and called for increased safety vigilance by U.S. airlines.

The agency's administrator, T. Allan McArthur, said in a speech that the new regulations and other moves he outlined were needed to stem a "crisis in aviation." He said they would be the first major changes in pilot and cockpit training regulations in more than 25 years.

He said training and cockpit procedures would be examined to assess the impact of automation, airline mergers and scheduling on the management of the cockpit.

The new regulations, which he said might take a year or more to establish, could involve both private and commercial airline pilots.

REFUSENIK: Identity Search

(Continued from Page 1)

winning recognition of Masha Brusilina in her native city.

"It is only stupidity and meanness that stand in the way," said Ada Dikhtyar, a Moscow journalist who became swept up in the story 20 years ago and remains haunted by it. "The times are changing, and I'm convinced that in the next year we'll finally bring this to a proper conclusion."

The girl in the photographs is widely believed to have been the first person publicly executed during the Nazi occupation of Soviet territory.

The two companions hanged alongside her — Klara Trus and Volodya Shcherbatskyich, partisans of Byelorussian stock — were identified by family members within a few years of the war and were posthumously decorated.

Twenty years ago Lev Arkadyev, a screenwriter working on a film about the war, saw the photographs in the Minsk museum and resolved to identify the unknown partisan. He enlisted Mrs. Dikhtyar, then a reporter for the Soviet Youth radio station, Ymots, and they began a painstaking investigation.

A reporter for the Minsk evening newspaper helped by publishing the photograph in early 1968, with a plea for information. It brought independent letters from several readers who said they recognized the girl as Masha.

One of the most authoritative witnesses was Zahir L. Azgur, Masha's uncle, with whom the girl lived before the war. Mr. Azgur is a professional sculptor, a connoisseur of faces.

Now 80 years old, he recalls that he recognized the picture with absolute, painful certainty.

"That's why I rarely go to the war museum now," he said during a tour of his studio, which is lined to the high ceiling with idealized busts of Soviet leaders and cultural figures. "I'm afraid to meet with Masha. There she's considered a person without a name and without relatives — including me."

In all, the investigation turned up more than 20 witnesses, including Masha's father, school principal and classmates, whose signed statements and tape-recorded interviews Mrs. Dikhtyar keeps in her apartment by the Moskva River.

At the end they took their evidence to an official police expert in Moscow, a specialist in identifying war and accident victims. He gave them a signed statement that their evidence was conclusive.

During the early occupation, the witnesses recounted, Masha worked as a medical assistant in a hospital that the Nazis had converted to a prison camp for wounded Soviet soldiers. In league with partisan groups operating near the city, she smuggled in civilian clothes and false documents to be used by escaping officers.

Mrs. Dikhtyar says Masha's heroism was not in any dramatic exploits but in her pride and poise. She reportedly refused to inform under torture, and she walked to her execution with her head erect. She was 17.

The results of the investigation were published in the official trade union newspaper, Trud, in 1968 and in the evening Minsk paper and were broadcast on a youth radio program in 1970.

Local officials in Minsk had re-

fused from the outset to cooperate, Mrs. Dikhtyar said. The local KGB refused to make available records on a Soviet soldier who had cracked under torture and betrayed the Minsk partisans. The security agency asked why journalists from Moscow were poking into Byelorussian affairs.

Soon after the articles were published, the reporter for the Minsk newspaper was cited for unrelated shortcomings in his work and dismissed. Minsk officials complained to the state radio company that Mrs. Dikhtyar had not cleared her broadcast with the local party, and she was told that she would not appear again on the radio.

Subsequent appeals — most recently in 1986 by the editor of a Moscow Jewish journal, Sovietish Heimland, have been rejected on the ground that the case was closed 20 years ago. In Minsk, it is as if the investigation never took place.

"The truth has never been found," said Alla G. Vasekevitch, scientific secretary of the museum in Minsk. "There were rumors that it was Azgur's niece, but experts from the Byelorussian Ministry of Internal Affairs have examined the photographs, and they say it is not so."

To those who hope to see Masha Brusilina recognized, one of the most disappointing features of the case is the silence of Zahir Azgur.

As one of the most prominent Jews in Byelorussia and as a delegate to the Byelorussian Legislature, he was well placed to take up the matter with party officials. He has not done so.

Perhaps, as he explained in an interview, he felt it would be pretentious to make a public plea about Masha, who was "actually a victim of the war, not a heroine."

Perhaps, as some Jews contend, he was afraid to risk being seen as a troublemaker.

Mr. Azgur firmly rejects the idea that anti-Semitism has played a role in denying his niece's recognition.

"I deny this," he said. "In our country, it's not possible. I can't say we have no anti-Semites. Certainly, we have. But they do not rule our lives here."

Others are not so sure. Lev Ovshishcher, a heavily decorated World War II veteran who has helped organize annual memorial demonstrations in Minsk to honor Jewish war victims, says bitterly, "This story explains why Jews who understand what is happening in this country feel the only correct decision is to leave." He recently received permission to emigrate to Israel.

Mrs. Dikhtyar, who is partly Jewish but considers herself Russian, believes the explanation is more complex. Part of it is anti-Semitism, she said.

But she also blames a stubborn local bureaucracy loath to be told by Moscow what to do. And she feels part of the explanation lies in the chauvinism and jealousies that still run deep here, especially on the subject of the war.

She plans to expand her initial reporting into a book, including an account of the Byelorussian refusal to accept the results. She said she and others are considering taking the evidence to the federal prosecutor and filing suit.

Kanaks Seen Seeking Soviet Weapons

PORT MORESBY, Papua New Guinea — New Caledonia's indigenous Kanaks may seek arms from Libya or the Soviet Union if France continues to refuse them independence, Foreign Minister Arru Matiahe said Tuesday.

"As long as we have the Kanaks fighting for their own liberation, there's a likelihood they will call on the Libyans or the Russians, or any other country, to smuggle in arms," Mr. Matiahe said.

"This is not what we want. We want a peaceful handover of the government to the people. We want the Kanaks to have their own

government. We want them to be free."

Papua New Guinea, Vanuatu and the Solomon Islands, members of the Melanesian Spearhead Group, issued a joint statement Monday condemning Sunday's referendum in New Caledonia, boycotted by most Kanaks, in which voters voted to remain under French rule.

Kanaks account for about 43 percent of New Caledonia's population.

Mr. Matiahe said that the group would continue to support the Kanaks, "although not necessarily in terms of getting them arms."

LE PEN: Holocaust View Assailed

(Continued from Page 1)

paratrooper who was once accused of torturing Algerian prisoners, is often called a racist but he vigorously denies the accusation.

"This is the first major mistake that Mr. Le Pen has committed because these are ideas that everyone thought were dead," said Jean-François Soisson, a deputy from the Union for French Democracy, a center-right party that is part of Mr. Chirac's governing coalition.

Political analysts also said Mr. Le Pen's remarks would likely make it harder for Mr. Chirac's coalition to agree to cooperate with the National Front to help defeat the Socialists in presidential elections next year. In the spring, there was a rupture within Mr. Chirac's coalition when Michel Noir, the minister of foreign trade, said it would be better to lose the election than ally with Mr. Le Pen.

In several regions, Mr. Chirac's party has joined with the National Front to help keep the Socialists out of power.

In the radio interview, Mr. Le Pen was asked whether he believed that Jews were the victims of genocide through gas chambers.

"There were many deaths, hundreds of thousands, perhaps millions of Jewish deaths and also of people who weren't Jews," he responded. But he added that he was surprised to have to answer such "inquisitorial" questions whenever he is interviewed.

LE PEN: Holocaust View Assailed

The subject of gas chambers came up when Mr. Le Pen was asked what he thought about the views of revisionist French historians who have denied the use of gas chambers. He said: "Do you want me to say it is a revealed truth that everyone has to believe? That it's a moral obligation? I say there are historians who are debating these questions."

In a statement issued after the interview, Mr. Le Pen said his remarks did not deny the existence of gas chambers or of genocide against the Jews. National Front spokesmen added that Mr. Le Pen was trying to say that the important thing was the number of Jews killed, while the means by which they were killed were not so important.

Claude Malhuret, the minister for human rights, attacked this attempt to explain Mr. Le Pen's remarks.

"The gas chambers," he said, "signify one thing — the desire for mass extermination of a people and not the indifferent means of an ordinary crime. In this way, the gas chambers, far from being a minor point, are one of the keys of 20th-century history."

And Yves Jonffa, president of the League for the Rights of Man, said, "These declarations are all part of propaganda that aims to make Nazism commonplace in refusing to admit the exceptional character of the 'final solution' regarding the Jews."

SHAME: Master Emotion Is Found

(Continued from Page 1)

chologists say. As the infant realizes that he is a separate person, he is first able to understand that others are directing emotional messages to him. Pride and shame appear — pride at pleasing others and shame at displeasing them.

Psychologists trace an extreme sense of shame to an early childhood in which parents did not respond with empathy and attention to the child's strivings to show his competence. Because the child feels that his efforts do not matter to the parent, he grows up feeling inferior and unlovable.

In studies of violent men under treatment at the Brentwood Veterans Administration Hospital in Los Angeles, Melvin Lansky, the psychiatrist in charge, found that shame played a key role in family violence among patients there.

Most of the violent men, Mr. Lansky found, had psychological vulnerabilities — a history of psychosis or minor brain damage, for instance — that made them especially dependent on their wives to function well. Without their wives' help, they believed, they would be overwhelmed and disorganized. At the same time, the men were ashamed that they were so dependent.

"When marital partners use shame as a weapon, their fights escalate dramatically," Mr. Scheff said.

A sense of shame and self-loath-

SHAME: Master Emotion Is Found

ing drives some people to build an inflated self-image through the pursuit of fame and excessive amounts of money. They hope to convince themselves of their worth and lovability through their accomplishments.

Entire families can share feelings of shame over such events as a suicide or bankruptcy, or such problems as an alcoholic parent. The sense of shame can persist over generations, according to Marilyn Mason, a family therapist at the University of Minnesota Medical School who is co-author of "Facing Shame: Families in Recovery," published by W.W. Norton.

"The family's implicit rule becomes not to talk about painful life experiences of all kinds," said Ms. Mason. "The sense of shame leads them to become emotionally controlled and to set demanding standards for themselves."

The single most effective antidote to shame, some studies suggest, is a person's laughter at himself — an observation made by Freud. In research by Suzanne Retzinger, a student of Mr. Scheff, those people who were able to laugh at their own accounts of feeling humiliated and resentful had an immediate drop in their feelings of shame.

Feelings of shame also can be alleviated if the person can acknowledge them openly to others and feels respected instead of judged by them.

Erik Lundberg, a Leading Economist Of the Stockholm School, Dies at 80

(The Associated Press)

STOCKHOLM — Erik Filip Lundberg, 80, a leading Swedish economist who served as an adviser to several foreign governments, has died, the Swedish News Agency reported Tuesday.

Dr. Lundberg was a contemporary of the pioneering British economist John Maynard Keynes and belonged to the so-called Stockholm School.

The loosely aligned group included Bertil Ohlin and Gunnar Myrdal, who later received the Nobel Prize in Economic Science, and Dag Hammarskjöld, who became United Nations secretary-general in 1953.

The Stockholm School believed

it was necessary to look at overall market demand and to influence it to be able to affect employment levels.

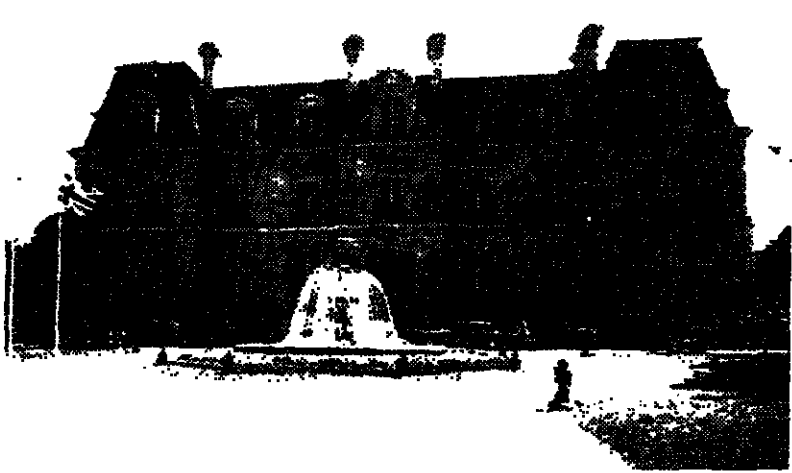
Dr. Lundberg, who received his doctorate in 1937, was a professor in political economics at Stockholm University and the Stockholm School of Economics for four decades.

Mexican Socialist Candidate

(The Associated Press)

MEXICO CITY — Mexican Socialists have chosen Heberto Castillo, a veteran leftist politician, to be the party's presidential candidate in elections set for July 1988, the party announced Monday.

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ARTS / LEISURE

'Pacific Overtures' in Operatic Scale

By Sheridan Morley
International Herald Tribune
LONDON — With the West End...

having witnessed about a century
of Western musicals, then went
home to write a Kabuki operetta...

better summary of the show than
the closing "Nix" which should
be a chilling history of the way that...

then certainly the most complex
and ambitious of all his scores, one
that deals with life and death and...

ber of people around who wish it
were.



The "Welcome to Kanagawa" scene from "Pacific Overtures" at English National Opera.

THE BRITISH STAGE

weakening second-half revisions to
achieve the kind of smash-hit existence
over here that it never enjoyed...

But what we have at the Coliseum
is a return to the broad stage and
a fully operatic production. A piece...

HEREFORE there are reservations
about this "East Side Story" but
they have mainly to do with an opera...

There are roughly 20 more performances
in the ENO repertoire between now
and the end of November, and you...

identity and furtive weekends and
the gentle art of not being found
out seems to me to have a good deal...

An Outsider Fools The Movie World

By Aljean Hammerz
New York Times Service
LOS ANGELES — Frank Mancuso
has fooled them all. When he was...

tion and movie executives and
moved to Walt Disney Productions.
Mancuso's countermove was to pick...

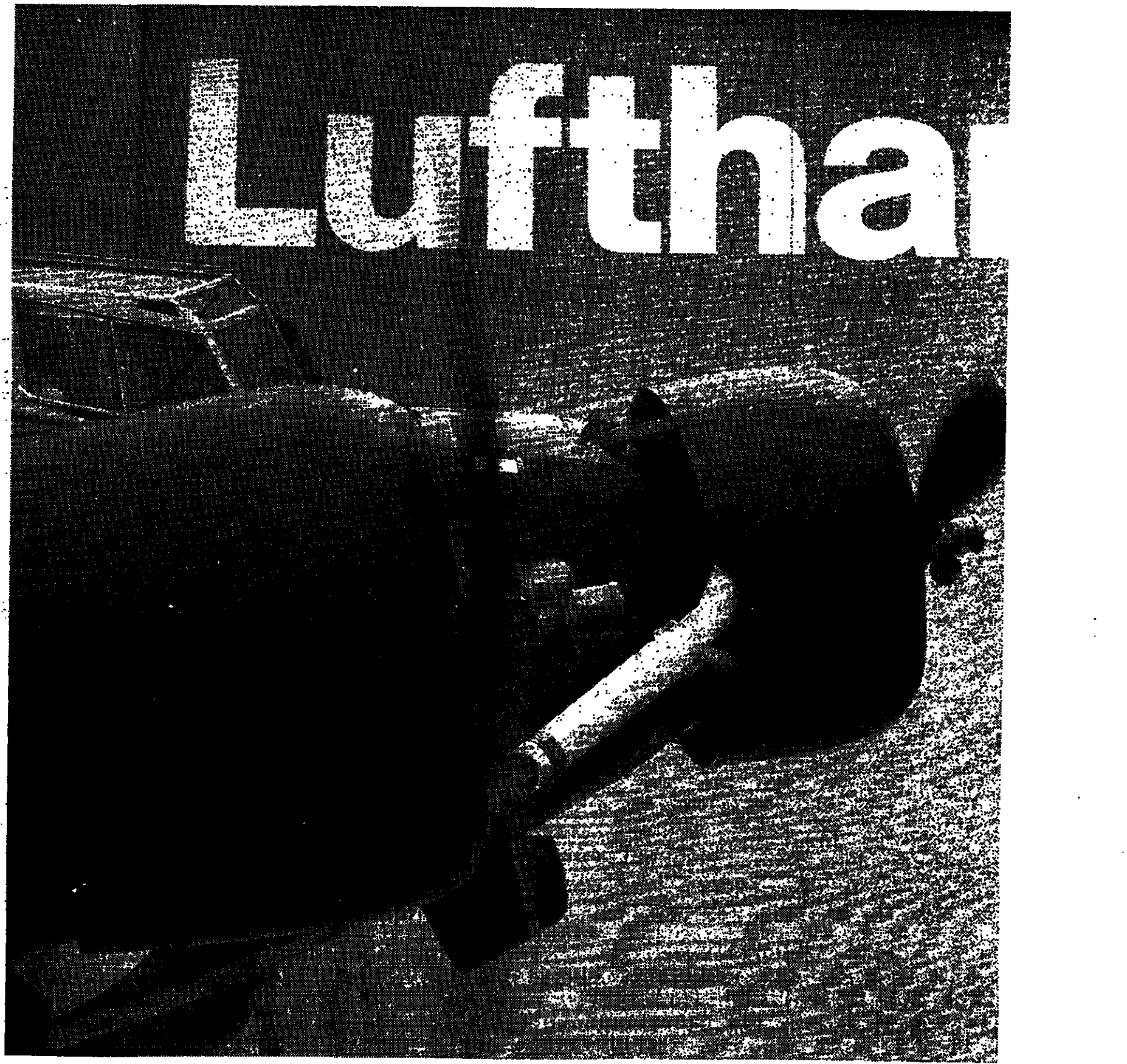
In 1987, Mancuso is chairman of
the most successful movie studio in
Hollywood. The first order he gave...

IT takes three years to judge a
new regime. The first 15 months
belong to the old kings. Mancuso...

At first, his sudden appearances
caused terror, and there are executives
who have nicknamed him the Godfather...

A rarity in the movie business,
Mancuso has spent almost his entire
career at the same studio and his...

Aviation history and Lufthansa grew up together.



Lufthansa logo and brand name.

DOONESBURY



2d UN Assembly
Mr. Shevardnadze and
Khamenei of Iran
Treat Sick Economies
Gorbachev Won't Last
Expert Says
PANT
TOR
AUTHORS BY N.Y. PUBLISHERS

INTERNATIONAL Herald Tribune

Too Many Dollars for Sale

In response to the July figures for the U.S. trade deficit, the dollar's exchange rate is threatened with another lurch downward. Devaluing the dollar is a bad way to try to cure the trade deficit. A falling exchange rate is already imposing heavy costs on the American economy. One of them is higher inflation. Another is higher interest rates. Together they can, in time, bring exports and imports into balance. But, left to themselves, they will do it through a long and grinding recession. That raises two questions for the Reagan administration: How far is it prepared to let the dollar sink, and what other ideas does it have? An American trade deficit throws dollars into the foreign exchange markets, and if no one is eager to buy them, the law of supply and demand takes over and the price falls. Through the first half of this decade a lot of foreign investors were eager to buy dollars, and they bid the exchange rate up. But about a year and a half ago these investors apparently decided that they were holding enough dollars and began to back off. Increasingly the flood of dollars has been mopped up by foreign governments desperate to protect their exports and employment. In the first five months of this year a dozen governments spent \$78 billion buying dollars. As you would expect, Japan, Taiwan, West Germany and Britain were the leaders. Even with governments' inter-

African Famine, Again

Slim but promising gains in food production have been made by many African countries, but Angola and Ethiopia are conspicuous exceptions. There famine on the immense scale of earlier years again looms. Marxist regimes rule in the two countries; they now seek food aid and in so doing pose hard policy choices to would-be donors, the United States, first among them. In Ethiopia, drought aggravating underdevelopment is the proximate cause of the threatened famine. But the condition is greatly worsened by the Mengistu government's farm collectivization and resettlement policies and by the cost of the assorted wars that it conducts against its own restive citizens. Having followed the Soviet example in imposing its hand on the countryside, the Mengistu regime now resists latter-day Soviet advice for farm reform. As is usual when a Soviet Third World client gets into this sort of trouble, it turns to the international community for rescue. In similar circumstances only three years ago, the American government and public performed prodigies of relief. It is infuriating, but may be necessary, to do it again. To make the government mend its ways, a group of congressmen led by Representatives Toby Roth, a Wisconsin Republican, and Bill Gray, a Pennsylvania Democrat, favor imposing certain limited economic sanctions supposedly targeted on the Ethiopian government, not on the people. But this is a gang that has never shrunk from exposing millions to starvation to keep itself in power. Sanctions of no aid should be sent. In Angola, the usual disabilities of underdevelopment are compounded by a 12-year civil war that rages with special intensity in the country's breadbasket. Fighting and land mines have driven great numbers of peasants off the land, and the regime's policies have driven many of those who remain out of the market. The government chooses to expend very little of its available resources on its hungry citizens, preferring to leave their fate to the mercy of foreign donors. Moscow's billions in aid go to guns. Politically, America is in an awkward place: It helps arm Angolan insurgents even as it provides relief that, by the nature of relief, helps the government. Still, it is already the principal provider of humanitarian food aid to Angolans, and it should do more.

Continue Improving It

Give Thurgood Marshall a rap on the knuckles for violating the tradition that inhibits political remarks by Supreme Court justices. But give him a round of applause for helping, in this bicentennial year of the Constitution, to remind America that the document was not immaculately conceived. The political remarks were made in an interview. Justice Marshall said he placed President Reagan at "the bottom" of a list of modern presidents ranked for their solicitude about the rights of blacks. Justice Marshall is not alone in that view, but his comment was news because it is rare for a sitting justice to criticize a sitting president — for good reason. The court commands obedience to its decisions because it commands respect from ordinary Americans, and that respect depends on the justices' painstaking impartiality. Whatever diminishes that respect diminishes the court. In this case, Justice Marshall's comments about Mr. Reagan seem gratuitous, hardly worth the cost. In the same interview, however, Justice Marshall returned to a more important theme that he had first broached in a speech in May. He denounced the "perpetuation of slavery" and the disenfranchisement of women sanctioned in the Constitution in 1787, and said that this year's bicentennial celebration invited "a complacent belief" in the perfection of the original document. Its framers "could not have imagined, nor would they have accepted, that the document they were drafting would one day be construed by a Supreme Court to which had been appointed a woman and the descendant of an African slave," Justice Marshall said. He was referring to Justice Sandra Day O'Connor and to himself, the only black ever to sit on the court. It was a sobering reminder that the Constitution was a flawed document, written by men with prejudices and weaknesses. Many Americans celebrate their heritage uncritically. But groups disfavored by the old arrangements — blacks, American Indians and women — do not have that luxury, for they live with the residue of the old unfairness. Justice Marshall says that with the 13th, 14th and 15th Amendments, adopted after the Civil War to secure the rights of blacks, "you'll never find a better Constitution than this one." He might add the 19th Amendment, which gave women the right to vote. But the point is clear: The Constitution is not perfect but it is perfectible. The framers only started the process. It is for each generation of Americans to continue and improve it.

One American in Twelve

How many Hispanics are there in the United States? A lot more today than in 1980, the Census Bureau reports, although it admits that it does not have the precise answer because it has been widening its definition of "Hispanic." Whatever the definition, it is clear that the Hispanic population is growing rapidly. The numbers were 9.4 million in 1970, 14.6 million in 1980 and 18.8 million in 1987. Just 4 1/2 percent of Americans were counted as Hispanic in 1970, compared with 6 percent in 1980 and 8 percent in 1987. Hispanics are not a homogeneous group, any more than the European immigrants of 1850-1924 were. Cuban-Americans, concentrated in the Miami area and a few Eastern cities, have relatively high education and income levels; their numbers stopped increasing in the middle 1980s. Central and South Americans are increasing rapidly in numbers; their socioeconomic status is much lower. Mexican-Americans are by far the most numerous group, accounting for five out of eight Hispanics. Overall, Hispanics in the United States have relatively low education levels. But their incomes have increased since the 1981-82 recession, despite the arrival of hundreds of thousands of newcomers. Unemployment is not vastly higher (9.5 percent in March 1987) than among non-Hispanics (7 percent). Family incomes of Hispanics have risen in pace with those of other Americans but are still about one-third lower; about one-quarter of Hispanics live below the poverty line. One way of looking at these numbers is to say that Hispanics tend to be behind other Americans, to suffer from disadvantages; another is to say that they are moving up rapidly, especially when you consider that many started off living elsewhere, in circumstances that are not statistically replicated anywhere in the United States. Hispanics are moving up the many ladders of success in America. The numbers show a country increasingly Hispanic, but they only begin to suggest the drama of personal struggle and achievement which lies underneath them.



Nicaragua: It's Too Soon to Stop Aiding the Contras

NEW YORK — The signing of the Central American agreement on Aug. 7 produced an immediate euphoria, and there is intense pressure to "give peace a chance." The United States, however, cannot be a passive observer. To do nothing until the Nov. 7 deadline (by which time a cease-fire is to be in place, aid to the Nicaraguan rebels is to be terminated and democratic reforms are to be implemented by the Sandinistas) would in fact be to make some important and irreversible decisions — decisions that could destroy the resistance movement and allow the further consolidation of Nicaragua's Marxist-Leninist regime. The negotiation process now under way could play out in a variety of ways. The most optimistic scenario is that everything would go according to definition and on schedule. Thus, a genuine cease-fire would be in place by Nov. 7, aid to the rebels would end and they would begin to transform themselves into players in the Nicaraguan political process. How they would fare as a political force is difficult to predict. It is impossible to know what the Nicaraguan people really think about the Sandinistas or the resistance. Any opinions expressed publicly have been put forward in a context of extreme repression. What we do know is that there is tremendous latent discontent within Nicaragua. Some of it is due to the disastrous economic condition of the country, some of it is politically motivated. Whether such dissatisfaction would dissipate with the implementation of the kinds of domestic reforms envisioned

By Susan Kaufman Purcell

in the Central American peace proposal cannot be decided by reference to precedents, because none exists. Never before has a Marxist-Leninist regime agreed to institute truly democratic freedoms. It is clear that the treaty gives a big advantage to the Sandinistas. They do not have to hold presidential elections until 1990. The resistance must therefore sustain itself as an alternative political force for more than two years in a political system that will continue to be dominated by the Sandinistas. The ultimate success or failure of the rebels will depend on what the United States is prepared to do on their behalf. The agreement is vague on the timetable for implementing democratic reforms. And there are indications that "democracy" has a very different meaning for the Sandinistas. The United States must therefore make two things clear: the limits of its tolerance regarding definitions and implementation of democratic reforms, and its refusal to cut off aid to the Nicaraguan resistance until there are credible signs of such a position. Failure to take such a position would allow the resistance to be destroyed not only as a military force, but as a political force as well. There is a different scenario possible — that the peace process will break down before the Nov. 7 deadline for a cease-fire. If that happens, the rebels must be in a position to resume their fight against the Sandinistas. For this to occur, the United States

should ideally continue military and humanitarian assistance to the resistance until Nov. 7. But the reality is that the Sandinistas would break off negotiations if the United States continued to provide military assistance to the resistance. A possible compromise would involve providing only humanitarian aid to sustain the rebels between the Sept. 30 cutoff and the Nov. 7 deadline. This would at least allow them to survive inside Nicaragua and preserve the option of resuming fighting in the event of a breakdown in negotiations. The most likely scenario, however, is that there will be no clear-cut resolution by the November deadline. Pressure on the United States would then be intense to extend the deadline and continue to postpone military aid to the rebels. This process, unfortunately, could drag on indefinitely. If so, it would ultimately destroy the resistance and leave the United States with little leverage to press Nicaragua to negotiate in good faith. The United States therefore needs to decide how to handle aid to the rebels even if negotiations are continuing, unless some tangible progress has been made by Nov. 7 on the cease-fire and democratic reforms. This is an issue that cannot be left until Nov. 7, by then it will be too late. The writer was a Latin American specialist at the State Department in the early 1980s and is now director of the Latin American program at the Council on Foreign Relations in New York. This comment was excerpted by the International Herald Tribune from the fall issue of Foreign Affairs.

Fairness in Trade: Promoting Workers' Rights

GENEVA — U.S. trade negotiators have placed a formal motion before GATT, the General Agreement on Tariffs and Trade, to help a study panel consider whether workers' rights should be more explicitly recognized under the new GATT rules. This follows lengthy efforts by the United States before the ministerial-level trade meeting last year at Punta del Este, Uruguay. But many governments, especially in the Third World, almost instinctively look upon such attempts to influence labor policy through trade leverage as outside interference in their domestic policies. If this goes unchallenged, they fear, similar pressures could be used to influence them in other areas of policy. Resistance to regulatory linkage between trade and workers' rights also stems from a suspicion that its real motive is to curb competition from developing countries. Even some U.S. legislators have described the provisions in a new trade bill before Congress, which would curb commerce with countries failing to recognize

By Bimal Ghosh

workers' rights, as "protectionism disguised as humanitarianism." Safeguarding jobs goes with protection of markets. Domestic jobs are lost not merely when, due to foreign competition, production is curtailed and plants close within a country, but also when production is shifted abroad. When European or American companies move factories to Asia or Mexico, lured by low labor costs, they in effect export jobs. A hefty dose of workers' rights in these countries would make it less attractive for these companies to move production, and the "exported" jobs would be saved. Domestic groups in any country with an interest in protecting their markets and jobs may be prepared to use humanitarian arguments to avoid threats of competition, just as a country that finds itself vulnerable on the trade union or human rights issue would be averse to any attempt to link trade to these rights. But progress on linking trade and workers' rights is still possible if the

approach is clear and consistent. It is hard to expect enduring changes on domestic labor and social policies unless the country involved is convinced of the need for such changes. Pressure through external trade is rarely effective through external trade. Free and open multilateral discussions, with no preconditions attached, are far more useful. At the International Labor Conference in Geneva earlier this year, William Brock, the U.S. labor secretary, recognized that unilateral action in defining unfair labor practices and withholding trade benefits will encourage retaliation and result in trade restrictions between many countries. But developing countries should be aware, as Mr. Brock said, that if multilateral action fails, there will be temptation to link workers' rights to trade through unilateral efforts. Countries competing in an integrated world market are bound to think of their competitive edge while deciding on social and labor policies. And yet even if a country is flagrantly violating

America's Sour New Mood Is Unhealthy

WASHINGTON — Another big birthday, the 200th of the U.S. Constitution, and where are the Americans people? Down in the dumps, in a rotten frame of mind, if you believe, as I do, that the members of Congress generally reflect the mood of their constituents. On the first day after they returned from their summer vacation, Senator William Proxmire, Democrat of Wisconsin, led off a round of grumbling on Capitol Hill. During the recess, he announced his intention to retire next year, and you might have thought that would put him in a good mood. Think again. He was really unhappy. "Mr. President," he began, "the Congress of the United States always — and I mean always — takes a bum rap... No one — and I mean nobody — ever defends the Congress. In more than 30 years in this branch of the Congress, and in literally tens of thousands of conversations back in my state, with people of every political persuasion, I have yet to hear one kind word, one whisper of praise, one word of sympathy for the Congress as a whole." This was no embittered veteran grumbling about the people who had turned him out of office. Senator Proxmire is an institution in Wisconsin. He has won re-election time and again with little opposition. His retirement announcement provoked a flood of bipartisan praise. But he told his colleagues he was kicked off by public reaction to the Iran-contra hearings, sympathy for Proxmire was regarded as soundbites and scorn for the legislators who were questioning them. He said, however, that the problem of Congress's low reputation can be blamed not on the Oliver Norths of this world but on the members of Con-

By David S. Broder

gress themselves. "The people of this country think the Congress is the pits because we in the Congress tell them we are the pits," he said. "I have listened to many members of this body who have made a career out of attacking the Congress." Americans' habit of demeaning their own competence and lowering their national credibility is also the subject of a worried editorial in the Economist of London. "Whatever happened to America's smile?" the editors ask in their cover story. It was wiped off, they answer, by the realization that the United States is no longer the unchallenged military and economic superpower of the world. The frustration as real incomes have stagnated or declined for millions has deepened the gloom. The editors of The Economist also blame the sour mood on Americans being "embarrassed" by the performance in the Iran-contra affair of the president in whom they had placed so much trust. But even acknowledging all that, they say, there is no justification for the "bitchiness, defensiveness and pessimism" evident in their eyes in America this fall. They worry that the United States will turn inward — toward protectionism in trade policy and isolationism or unilateral disarmament in foreign policy. They may exaggerate, but anyone who has been traveling the country with the presidential candidates will recognize the portrait The Economist draws. Jack Kemp, by nature the most optimistic and expansive of the Republican hopefuls, has an edge of anxiety in his voice when he talks about eliminating the "Communist beachheads in this hemi-

sphere" or countering the maneuverings of Mikhail Gorbachev. As for the Democrats, a grimmer bunch of people you will never meet. Patricia Schroeder, the only woman in the group, is the only one to consistently display the grimmest humor and the gift for deliberate exaggeration that really get American laughing. The Reverend Jesse Jackson fittingly offers a hope of salvation, but the America he describes is one of broken dreams. Many of the others also talk about a declining, almost despairing America. Suicide is a recurrent theme in the speeches of Representative Richard Gephardt, and even Governor Michael Dukakis of Massachusetts, who offers that state's 2.5 percent unemployment rate as a model to which the rest of America can aspire, does so in such a joyless way that you wonder if prosperity is all it's cracked up to be. Maybe such a mood change was inevitable after the often mindless optimism of the Reagan years, when the president turned his back on jarring realities from budget deficits to the exposed position of the airlines in Beirut. But I think The Economist is right: The sourness of the present mood is uncharacteristic of America, and unhealthy. If nothing else, the bicentennial of the constitution ought to remind Americans of the enormous flexibility and resilience of their underlying institutions. The nation has a long history of demonstrating its readiness to respond to energetic leadership and committing its resources to worthy struggles. The country has not lost its knack for competing or for self-governing. Americans should not talk themselves into submission. The Washington Post.

When Bases Are Hostage To Politics

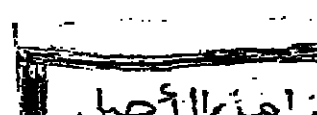
By Flora Lewis BARCELONA — There is a perverse double strain in Europe now as some governments worry about a loss of the American defense commitment and others demand more concessions for the "favor" of U.S. use of bases. It reflects the confusion as Moscow and Washington move to their first agreement to really cut some arms. There is something peculiar about states seeing American support for their defense as a concession they provided that should be rewarded by U.S. concessions on trade (Turkey) support against a local adversary (Greece), aid (Portugal) or withdrawal of planes (Spain). There is also something peculiar about complaints against removing medium-range missiles from both East and West by one state that booted out U.S. forces in 1966 (France) and another that accepted U.S. missiles on the condition that Washington be prepared to negotiate them away (West Germany). All this surfaced at the annual conference of the International Institute for Strategic Studies here. It is an organization of security professionals, but narrow and partisan domestic politics are intruding all over. As host, Spain used the occasion to voice through its defense minister, Narciso Serra, its side of an increasingly peevish argument with America on the presence of a wing of 72 U.S. F-16s with a NATO mission. Mr. Serra presented a series of remarkably contradictory grievances. He blamed the allies for not letting Spain into NATO while Franco was alive and blamed the United States for its defense accord with Franco. He said the allies were satisfied they could defend Europe without Spain then, but they should appreciate the great contribution Spain made by joining them now, though it would not join in tasks "beyond the limits of exclusively national concerns." This gobbledegook reflects lingering resentment at what many Spaniards saw as U.S. support for Franco. And it is an attempt by Spanish Socialists to wriggle out of the mistake they admit they made by opposing NATO before they came to power. Robert O'Neill, the retiring director of the institute, rapped Serra sharply for his parochialism, though he sought to balance his remarks and take account of Spanish sensitivities. Saluting Serra's brilliant transition to democracy, he said the allies looked forward to growing cooperation. "What we do not look forward to," he said, "is protracted wrangling between the U.S. and the Spanish government over Torrejon [the fighter base near Madrid] and the F-16s, which could do serious political damage to the alliance and carry wider strategic consequences." Spain, for its part, knows that Europe does not want to be seen as letting the U.S. to withdraw forces. It is going to be extremely difficult to hold those that are here, and they will need to be held for a long time yet if the balance of forces is not to tip seriously against the West. He urged both sides to show "fine political judgment" and "a little more flexibility." These were angry words from the usually exuberant Mr. O'Neill, an Australian scholar, and they represented the feelings of the major European governments, as shown in a strongly pro-NATO speech by Renato Ruggiero, an Italian minister. The difference between the major and minor European governments is that the first see U.S. efforts as the bulwark of their own defense, and some of the second are tempted to use bases as hostages for their other demands. To some extent, Washington has invited this by making it sound as if bases around the world serve primarily American purposes. The U.S. ambassador, Reginald Bartholomew, is trying hard to find a way around the dispute that serves both allied security and Spanish pride. American officials are getting impatient when Europeans take them for granted as whipping boys in their own internal quarrels. But they should not jump to the conclusion that the defense partnership is no longer worth the cost and effort, or that they are not wanted. The strains highlight the need for reexamining the Western strategic consensus, which can be done only by a full review of NATO policy in changing circumstances. There will almost surely be further, far more important arms reduction negotiations once the missile agreement is signed. Each step into the unknown sets off all kinds of alarms. Spain wants to be in NATO but does not know what it wants to do. NATO wants to ease the threat of war but does not know which way is safest. It is time for the West to think it through again, together. The New York Times.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Catholic Congress VIENNA — The Eucharistic Congress was brought to a conclusion this morning [Sept. 15]. An enormous crowd, singing the Austrian national anthem and cheering the Emperor, lined the streets. The procession was composed of three groups, the first of which numbering close upon 100,000 laymen belonging to the various races forming part of the Austro-Hungarian monarchy. The second group was composed of 5,000 priests, headed by 200 bishops. The third part included the Papal Legate, kneeling before the Blessed Sacrament in the carriage for the coronation of Empress Maria Theresa; the Emperor, the Archdukes, the cardinals and archbishops, in Court carriages; escorted by high Court officials and troops on horseback. This demonstration of the Roman Catholic faith... is undoubtedly without any precedent.

1937: Etiquette Revised NEW YORK — Emily Post, who put etiquette on a paying basis back in 1922, is bending a social lance to the behavior of our times. The famous authority on good manners has rewritten her standards to comply with a changing world. The author flouts consigne chapters to the ash heap, concluding that a girl's best chaperon is the training she has received before her debut. It is permissible for a woman to pay the dinner check when she dines with a man, if he is indigent and she has money. It is now correct to leave a party early to go home and listen to a favorite radio program. Mrs. Post dings to a few "don'ts." Her formal dinner is as stiff-skirted as ever. People still may not smoke at dinner unless the hostess has signified her permission by placing cigarettes on the table. And no lady smokes on the street, even yet.

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OPINION

Bork: Grounds For Stomach-Deep Doubt

By A.M. Rosenthal

NEW YORK—There are two errors running through the debates on Robert Bork. The first and most important is that he is a real conservative.

hearings that began Tuesday, any senator is entitled—in fact duty bound—to vote against Judge Bork if he feels the judge's opinions would produce a country radically different from the one the senator or his constituents want, or that has evolved out of American law and beliefs.

There is no need to seek other reasons, like tipping the court. Grounds for stomach-deep doubt exist in the Bork record: 1. He shows an open contempt for the Bill of Rights and particular disdain for

ON MY MIND

freedom of expression. He would permit free political speech—up to a point. Unfortunately, that point is where free speech begins for many Americans: advocacy of civil disobedience, for instance.

Until fairly recently Judge Bork would have ruled out First Amendment protection for all nonpolitical forms of expression. Now he allows that maybe certain other subjects he deems significant might be covered—like science. American artists, novelists and dramatists are not used to checking in with a judge to find out how they can express themselves.

2. He would not permit the courts to block governmental invasion of people's private lives. The majority rules, he says, and if the majority of a state legislature wants to order a married couple not to use contraceptives, that is all right with Judge Bork. Senators should ask themselves whether that would be all right with them, their spouses or constituents.

3. He seems devoid of compassion or understanding about the mixture that composes America. Democracy means majority rule, he insists. Yes, but in America it means more—it means majority rule tempered by deep respect for the rights of minorities. Protecting those rights is the duty of legislatures and courts. America is a majority rule country made up of minorities. To be unable to grasp that, as Judge Bork seems unable, is a disability so severe as to be disqualifying for a Supreme Court justice.

4. He would destroy the Bill of Rights barrier between church and state. He not only would introduce religion into the schools but wants greater religious symbolism in American public life itself.

5. He is not a man of restraint philosophically but an adventurer, a real activist who would remake what American society has become, a country that has moved toward greater individual liberty, through a combination of legislative and judicial action. He would remove rights of expression and privacy that Americans have built into their lives. He would make it a tighter, narrower country where judgments would be forbidden to protect any individual or minority right at all unless it already happened to be written clearly into the law.

It is clearly because so often it is not written into the law that we need the Supreme Court. Judge Bork's America would be a country where the people could not turn to judges for something called justice. Serving on the Supreme Court, he would withdraw American liberties, not conserve them.

The New York Times

Money Follows the Women When They Follow the Men

By Ellen Goodman

BOSTON—Sometimes when I think about how lopsided change has been, the person who comes to mind is Joanne Caucus. Maybe it's not sensible to track the times through the comic strips, but Donesbury's resident feminist has always been more mythic than comic.

The Joanne Caucus of the early '70s was a child-care worker. Now, in the late '80s, she is a lawyer with a young child of her

own who have taken time out for child-bearing and child-rearing.

And what about the parallel problem, the care-taking gap? What about the children who have fallen into it? Americans seem to have kids on their minds. Maybe people have finally noticed the limp of lopsidedness. The reports, the polls and the studies crossing my desk are full of concern about children. The more cynical of my peers believe that children are an "in" issue because the baby boom generation is finally leaving them. Whatever they do becomes news. But this is also the generation that has made the most notable and permanent changes in family and work patterns. The generation feeding the crunch.

In a poll just done for Kidspace, a political action committee, voters give as much political weight to kids' issues as to such "hot" subjects as trade. About 70 percent said they wanted the next president to pay more attention to the health of young children. The concern they register comes from liberals and conservatives, Northerners and Southerners.

A script for these concerns came in a recent advisory for candidates by The Analysis Group. It leads with this bald statement: "Kids are now the dominant form of expression for the politics of 1988... Kids are the vehicle through which voters are now expressing their concerns about a sea of changes in the modern family, in the life cycle and in the American economy."

The stump speech and basic position papers of nearly all the Democratic candidates—parents themselves, many from two-working-parent families—carry some plan for children. Bruce Rabbitt, perhaps the most underrated of the eight, puts child care at the center of his campaign.

At the same time, everything we read in America about education, poverty, teen-age pregnancy and even drugs seems, in some measure, a reflection of feelings about child neglect. Last week the Committee for Economic Development, a collection of business leaders, put their hard-nosed accounting down to child level and called for early-childhood and health programs for the poor. There is everywhere the scent of a sociological clock ticking. I don't know how or if the concern will translate into action. Congress has yet to pass even a modest parental leave bill. How will it respond later this month when the Alliance for Better Childcare presents a bill asking for \$2.5 billion?

But there is a gathering consensus, a belief that uneven social change needs a midcourse correction. It has been easier to measure progress, especially for women, by adult male standards. The economic standards. In the next phase, America needs an additional measure, to chart social progress by the standards of care-taking. Child care-taking. Washington Post Writers Group.



MEANWHILE

own. Today she has it all, as they say, except of course decent child care.

I find it hard to assess this kind of progress. There has been real, measurable success for women in the work world, the old men's sphere. And real, measurable failure in creating a support system for care-taking, the old female sphere. The change has been so lopsided that, as a society, America is visibly limping.

Just last week the Census Bureau released a report that women now earn 70 cents for every male dollar. Things are getting better, slowly.

But money and status and the label of progress have followed the women who have followed the men. The wage gap is narrowest today for younger women, for women who have had the same education as men, chosen the same fields as men. Eved the same work lives. The gap is widest for women who have gone into traditionally female fields, and for wom-

LETTERS TO THE EDITOR

An Open Border? That's Not Quite What Honecker Said

Regarding the report "Honecker Forecasts Open German Border" (Sept. 11): Erich Honecker indeed said that "the day will come when the borders will no longer divide us, but when they will unite us, as the border between the German Democratic Republic and the People's Republic of Poland unites us."

250,000 traveled to Poland last year. How can anybody see anything but an insult to West Germany in Mr. Honecker's suggestion? As a West German, I was ashamed to see ministers, politicians, would-be politicians and industrialists bow before this uncompromising Stalinist, whose system is as close to that of the Nazis as a postwar system could be.

More on the Mecca Riots

Regarding "Iran Turns Its Fires on a New Great Satan" (Sept. 11): As an American just back from a year in Kuwait, I must take exception to Amir Taheri's "more accurate picture of what happened in Mecca" this summer. He says that the Iranian demonstration "was not conceived as a protest for provoking the bloody clashes that took place," but was intended rather to allow Iranian mullahs to peacefully address the gathering inside the Grand Mosque.

Lost Balance in the Gulf

The U.S. Navy quite correctly handed over the pilot of a downed Iraqi jet to Saudi Arabia, rather than to the Iraqi authorities, in order to preserve America's neutrality in the Gulf war, as an agency dispatch reported in the IHT on Sept. 2. At the same time America has supplied invaluable intelligence on Iranian troop movements and potential targets in Iran and in the Gulf to the Iraqi regime—at first via third parties, then in direct communication with the Iraqi regime and lately through an American "intelligence office" in Baghdad itself. So much for neutrality.

Progress Under Conable

Regarding "The World Bank Needs New Ideas to Stay Relevant" (Aug. 11): Sheldon Amis belittles the achievements of the World Bank under Barber Conable. But as a former consultant to the bank, it seems to me that its results show progress in several directions. The bank demonstrated clearly in the Mex-

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NOTES ON A CENTURY Eccentrics at the Old Paris Herald: How to Lose and Win at Strip Poker. The author of this column was a Paris Herald editorial staffer from 1919 to 1933, when he returned to the States to join the Baltimore Sun. He has published short stories, essays and a novel and today, in retirement, continues to contribute to the Sun's editorial page.

Panasonic Office Automation

Panasonic Office Automation

MADISON AVENUE Bucking the Merger Trend, Y&R Plans a 3-Way Split

By CERALDINE FABRIKANT New York Times Service NEW YORK — In the past 18 months, Young & Rubicam, by every count the largest independent U.S. advertising agency, has added \$300 million in new billings at its New York office, more than any other agency.

Each will have its own range of clients with its own account management, creative, media, consumer insights and business affairs units. In each of the recent mergers within the agency business, the question has been asked: What is the advantage for the clients? In the case of Y&R's restructuring, clients would appear to be getting an agency whose size is easier to deal with, and faster access to those people directly responsible for a campaign.

Robert Guccione, head of Penthouse International, has given up on Spin, the magazine monthly he started two years ago. Penthouse closed the magazine in August, but Robert Jr. has started it up again as an independent venture.

Bozell, Jacobs, Kenyon & Eckhardt of New York has been selected as the U.S. agency for Benckiser Consumer Products of Greenwich, Connecticut. The budget is in the range of \$16 million to \$20 million.

WCRS Group, a major British advertising and communications group with substantial American holdings, says it is acquiring 49 percent of Group B&B, France's largest advertising agency, from the parent company, Eurocom SA.

People

Robert H. Irvine has been named executive vice president and Susan Emerson senior vice president at Bayer Bess Vanderwerker & Flynn in Chicago.

Albert Chambers has been named director of international public affairs at Ford Motor Co.

Currency Rates

Table with columns for City, Rate, and Date. Includes entries for Amsterdam, Brussels, Frankfurt, London, Milan, New York, Paris, Tokyo, Zurich.

Interest Rates

Table with columns for Currency, Term, and Rate. Includes entries for Euro-currency deposits, Forward Rates, and Key Money Rates.

U.S. Money Market Rates

Table with columns for Instrument, Rate, and Date. Includes entries for 3-month Treasury bill, 6-month Treasury bill, 9-month Treasury bill, 1-year Treasury bill.

Asian Dollar Deposits

Table with columns for Term, Rate, and Date. Includes entries for 1 month, 3 months, 6 months, 1 year.

Gold

Table with columns for Location, Price, and Date. Includes entries for Hong Kong, London, New York, Zurich.

Carrian Officials Acquitted

But Other Fraud Charges Remain

By Patrick I. Smith International Herald Tribune HONG KONG — A supreme court judge on Tuesday acquitted George Tan, who once headed the defunct Carrian property empire, and five co-defendants of conspiracy charges, ending the first phase of the most extensive commercial crime prosecution in Hong Kong's history.

Mr. Tan and his associates were charged with attempting to defraud shareholders in Carrian Investments Ltd., a holding company created by Mr. Tan in 1977. The complex network of companies controlled by Carrian collapsed in October 1983, leaving traceable debts of more than \$1.2 billion.

British prosecutors alleged in the 18-month trial that the defendants overstated Carrian's profits in 1981 to mislead the investment company's shareholders and creditors. The others charged were Bentley Ho, Mr. Tan's deputy at Carrian; Stephen and Rogelio Lam, brothers associated with Mr. Tan; and David M. Begg and Anthony Lo, who worked at the accounting firm Price Waterhouse and audited Carrian's 1981 accounts.

The judge's ruling, which led to an acquittal by the jury that heard the case, was viewed as a substantial setback for Mr. Tan's prosecutors. Most criticism of their approach focused on the sweeping nature of the conspiracy Mr. Tan was said to have led.



Shearing sheep in Garrison, Utah. Wool prices have jumped since the start of the year.

Commodities Upturn Baffles Experts

By Nicholas D. Kristof New York Times Service TOKYO — After tumbling last year to their lowest levels since the 1930s, the prices of industrial commodities such as silver, lead, cotton, and rubber have been rising steadily this year, spawning new hope in the many countries that depend on sales of raw materials.

"The worst is over," said Bernardo M. Villegas, a prominent business economist in the Philippines, which relies heavily on exports of copper and other commodities. "Commodity prices won't go back to the lows of the last few years. Instead, they'll remain constant or continue to rise steadily."

"We thought at first that it might be a one-month wonder, but it's been going on now for six months," said Nico Cappinica, chief economist of Standard Bank in South Africa, a country that depends on gold, diamonds, and other commodities for 80 percent of its export income. "Most commodity exporters have had a very serious deterioration in their terms of trade since 1981, and that appears to have reversed itself."

Customer stockpiling appears to have triggered the rise in prices. Shortages because of strikes and other special circumstances also have had an effect.

The biggest beneficiaries of the stronger prices are expected to be developing countries, which as major commodity producers were hurt the most by the downturn in prices. The economies of certain regions of the United States might also be improved.

No one knows how long the higher prices will last, but it is commonly expected that prices will at least remain steady or continue to appreciate gradually. Although that can be expected to increase inflation worldwide, the impact is expected to be moderate because almost no one

foresees the kind of surge that seven years ago carried gold to \$850 an ounce and crude oil to \$40 a barrel on the spot market. Nonetheless, the increase in prices of industrial commodities has been dramatic. Many commodity producers were hurt the most by the downturn in prices. The economies of certain regions of the United States might also be improved.

As a result of the price gains in raw materials, the countries that See COMMODITIES, Page 15

U.S. Banks Post Quarterly Loss, First Since '30s

The Associated Press WASHINGTON — The U.S. banking industry lost \$10.6 billion in the second quarter of this year, the first quarterly loss since the Depression, the Federal Deposit Insurance Corp. said Tuesday.

L. William Seidman, chairman of this federal agency that insures bank deposits at federally chartered banks, called the loss "clearly the worst quarter in the history of the industry since the FDIC began operating in 1934. He attributed the loss to the \$11.2 billion set aside in reserves by money center banks anticipating problems collecting huge Third World debts.

For the first six months of the year, banks showed a \$5.3 billion loss. The loss for the first half was cut by a record profit of \$5.3 billion from the first quarter. Mr. Seidman said he expected bank earnings to rebound in the second half, and he predicted that the industry would show a profit for the full year of between \$4.5 billion to \$6 billion.

The FDIC chairman said that the loss for the second quarter was a little higher than he had expected. He said he believed banks, setting aside reserves for a broad range of problem assets in addition to foreign loans, said "this is going to be a bad quarter and let's get it behind us."

According to the FDIC's first-quarter banking profile, 2,354 of the 13,937 federally insured U.S. commercial banks were unprofitable. Although this meant that 83 percent of the banks showed a profit, the 10 largest U.S. banks lost money.

Banks in the Southwest, hard-hit in the past two years by faltering energy prices, continued to account for about 40 percent of money-losing institutions. Mr. Seidman said the health of Midwestern banks has been improving as the price of agricultural land stabilizes or rises slightly. Banks hold much of this land as collateral for farm loans.

Despite the second-quarter industry losses and an expected post-failure record of 200 bank failures this year, Mr. Seidman said he expected the FDIC insurance fund roughly to break even for the year.

U.S. Retail Sales Rise 1.3%, Factory Output Ahead 0.3%

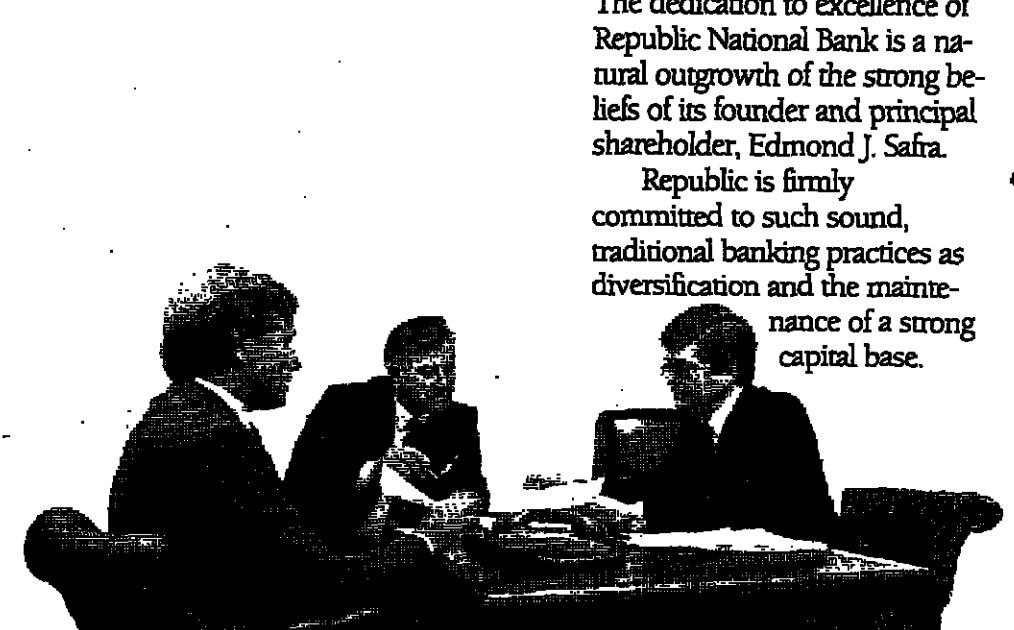
The Associated Press WASHINGTON — Retail sales, bolstered by a surge in demand for autos, climbed 1.3 percent in August, the biggest increase in six months, the Commerce Department reported Tuesday.

At the same time, the Federal Reserve reported that U.S. industrial output edged up 0.3 percent in August, the smallest increase since a 0.1 percent rise in April. The Commerce Department said retail sales totaled \$128.6 billion in August, up \$1.6 billion from July. It was the biggest monthly increase since a 4.8 percent jump last February. It followed revised increases of 0.5 percent in July and 1.2 percent in June.

Auto sales, spurred by incentive programs, shot up 4.5 percent last month, the biggest increase since a 13.7 percent rise in February. Excluding autos, retail sales would have risen a much more modest 0.3 percent in August.

Still, many analysts were encouraged. Earlier in the year there had been concern that high levels of consumer debt and sluggish income growth would force Americans to cut back on spending, especially for larger items. The Federal Reserve said the August increase in industrial output followed stronger gains of 0.8 percent in July and 0.7 percent in both June and May. Still, it marked the seventh consecutive month that industrial output had increased.

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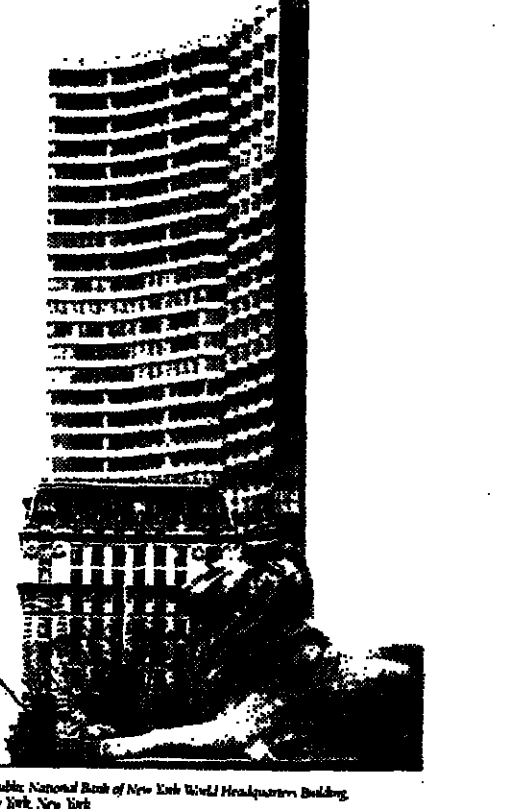


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FIGURES AS AT DECEMBER 31, 1986: TOTAL ASSETS: US \$168 billion SHAREHOLDERS' EQUITY: US \$1.6 billion

Tuesday's NYSE Closing

Tables include the nationwide prices to the closing on Wall Street and do not reflect late trades elsewhere.

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
100	75	1.20	120	80	100	105	95	100	+5
120	80	1.50	150	100	120	125	110	120	+5
150	100	1.80	180	130	150	155	140	150	+5

(Continued)

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
200	150	2.00	200	150	200	205	180	200	+5
250	200	2.50	250	200	250	255	220	250	+5
300	250	3.00	300	250	300	305	270	300	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
350	300	3.50	350	300	350	355	320	350	+5
400	350	4.00	400	350	400	405	370	400	+5
450	400	4.50	450	400	450	455	420	450	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
500	450	5.00	500	450	500	505	470	500	+5
550	500	5.50	550	500	550	555	520	550	+5
600	550	6.00	600	550	600	605	570	600	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
650	600	6.50	650	600	650	655	620	650	+5
700	650	7.00	700	650	700	705	670	700	+5
750	700	7.50	750	700	750	755	720	750	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
800	750	8.00	800	750	800	805	770	800	+5
850	800	8.50	850	800	850	855	820	850	+5
900	850	9.00	900	850	900	905	870	900	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
950	900	9.50	950	900	950	955	920	950	+5
1000	950	10.00	1000	950	1000	1005	970	1000	+5
1050	1000	10.50	1050	1000	1050	1055	1020	1050	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
1100	1050	11.00	1100	1050	1100	1105	1070	1100	+5
1150	1100	11.50	1150	1100	1150	1155	1120	1150	+5
1200	1150	12.00	1200	1150	1200	1205	1170	1200	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
1250	1200	12.50	1250	1200	1250	1255	1220	1250	+5
1300	1250	13.00	1300	1250	1300	1305	1270	1300	+5
1350	1300	13.50	1350	1300	1350	1355	1320	1350	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
1400	1350	14.00	1400	1350	1400	1405	1370	1400	+5
1450	1400	14.50	1450	1400	1450	1455	1420	1450	+5
1500	1450	15.00	1500	1450	1500	1505	1470	1500	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
1550	1500	15.50	1550	1500	1550	1555	1520	1550	+5
1600	1550	16.00	1600	1550	1600	1605	1570	1600	+5
1650	1600	16.50	1650	1600	1650	1655	1620	1650	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
1700	1650	17.00	1700	1650	1700	1705	1670	1700	+5
1750	1700	17.50	1750	1700	1750	1755	1720	1750	+5
1800	1750	18.00	1800	1750	1800	1805	1770	1800	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
1850	1800	18.50	1850	1800	1850	1855	1820	1850	+5
1900	1850	19.00	1900	1850	1900	1905	1870	1900	+5
1950	1900	19.50	1950	1900	1950	1955	1920	1950	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
2000	1950	20.00	2000	1950	2000	2005	1970	2000	+5
2050	2000	20.50	2050	2000	2050	2055	2020	2050	+5
2100	2050	21.00	2100	2050	2100	2105	2070	2100	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
2150	2100	21.50	2150	2100	2150	2155	2120	2150	+5
2200	2150	22.00	2200	2150	2200	2205	2170	2200	+5
2250	2200	22.50	2250	2200	2250	2255	2220	2250	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
2300	2250	23.00	2300	2250	2300	2305	2270	2300	+5
2350	2300	23.50	2350	2300	2350	2355	2320	2350	+5
2400	2350	24.00	2400	2350	2400	2405	2370	2400	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
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350	300	3.50	350	300	350	355	320	350	+5

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500	450	5.00	500	450	500	505	470	500	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
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650	600	6.50	650	600	650	655	620	650	+5

12 Month High	12 Month Low	Div. Yld. PE	St. High	St. Low	Open	High	Low	Close	Chg.
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950	900	9.50	950	900	950	955	920	950	+5

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1200	1150	12.00	1200	1150	1200	1205	1170	1200	+5
1250	1200	12.50	1250	1200	1250	1255	1220	1250	+5

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1350	1300	13.50	1350	1300	1350	1355	1320	1350	+5
1400	1350	14.00	1400	1350	1400	1405	1370	1400	+5

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1500	1450	15.00	1500	1450	1500	1505	1470	1500	+5
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1650	1600	16.50	1650	1600	1650	1655	1620	1650	+5
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1800	1750	18.00	1800	1750	1800	1805	1770	1800	+5
1850	1800	18.50	1850	1800	1850	1855	1820	1850	+5

BUSINESS ROUNDUP

Consolidated Gold Doubles Profit

LONDON — Consolidated Gold Fields PLC said Tuesday that profit more than doubled to £244.4 million (\$400 million) in the year to June 30 from £110.9 million the previous year because of higher gold prices.

The metal averaged \$410 an ounce in the latest year, the company said, above the previous \$333. The results, on steno sales of \$1.11 billion from \$1.12 billion, were at the top of analysts' forecasts, which ranged from \$190 million to \$245 million.

Profit attributable to shareholders jumped 141 percent to \$164.1 million from \$68.1 million. However, analysts said the market was disappointed by the final dividend of 18 pence making 27.5 pence for the year, a 12 percent increase on 1986. The shares closed

Marine Accepts Hongkong Bid

NEW YORK — Marine Midland Bank Inc. said Tuesday it had agreed to a sweetened \$756 million buyout offer from Hongkong & Shanghai Banking Corp., which already owns 52 percent of its stock.

Bass to Buy Holiday Corp. Hotels

LONDON — Bass PLC said Tuesday it had signed a conditional agreement to pay Holiday Corp. \$475 million for a total of 178 hotels, including 13 Holiday Inns in the United States.

The agreement gives Bass exclusive rights to the Holiday Inn trademark outside the United States, Canada and Mexico. Bass and Holiday Corp. also agreed to form a joint venture to develop Holiday Inns outside those three countries.

The purchase price will be made partly in cash and partly with a promissory note to be paid over 10 years. Bass also will subscribe to \$100 million worth of Holiday Corp. debentures that, when fully converted, will leave Bass holding 9 per-

Republic Clearing Corporation FUTURES & OPTIONS ON FUTURES Gold & Silver Currencies Financial Instruments Stock Indexes \$25 ROUND TURNOVER

Pickens Bid Raised for Newmont

DALLAS — Ivanhoe Partners, an investment group led by T. Boone Pickens, raised its tender offer on Tuesday for 28 million shares of Newmont Mining Corp. to \$105 a share from \$95 in a bid that values the entire company at about \$2.6 billion.

Edelman Group Weighs Bid for Foster Wheeler

NEW YORK — A group of companies led by a New York investor, Asher E. Edelman, has a 3.7 percent stake in Foster Wheeler Corp. and may attempt to take over the company, the group said Tuesday.

Fannie Mae Is Arranging \$1 Billion Euronote Facility

LONDON — The Federal National Mortgage Association, the U.S. government-sponsored agency, said Tuesday that it will launch internationally a \$1 billion medium-term note program, the first time a U.S. agency has tapped this highly-flexible market.

The agency, known as Fannie Mae, will have the option to issue notes denominated in various currencies. The shareholder-owned institution, sponsored by the government to promote a secondary mortgage market in the United States, is also expected to tap the U.S. domestic note market for an equal amount. This program can also include securities in non-dollar currencies.

Bankers Say North Korea Has Agreed to Debt Talks

LONDON — Two Western banks representing North Korea's commercial bank creditors said Tuesday that they have reached agreement with the country on terms for reopening debt rescheduling talks, three weeks after banks announced that North Korea was in default.

Fujitsu and IBM Settle Dispute on Software Rights

NEW YORK — Arbitrators announced Tuesday that they have ended a bitter copyright dispute between International Business Machines Corp. and Fujitsu Ltd. of Japan over Fujitsu's use of IBM computer software.

Hanson Trust Raises Stake in Midland Bank

LONDON — Hanson Trust PLC said Tuesday it had raised the stake it holds in Midland Bank PLC to 6.17 percent from the 5.8 percent holding it acquired Sept. 7.

Next \$70 Winner

Every downside panic in the Dow creates bargains which climb rapidly to new highs; and Indigo has been covering Cray Research as a turnaround candidate. Write, phone or telex for complimentary coverage.

Asia Pacific Growth Fund Weekly net asset value on 11-9-1987 U.S. \$7.34 Listed on the Amsterdam Stock Exchange

Change of Address Oppenheimer & Co Ltd With effect from Monday 14th September 1987 Our Address will be Stockley House 130 Wilton Road London SW1V 1LO

Indigo Indigo is not a broker. Indigo is a financial adviser. Indigo is located at: Indigo House, 43, Tottenham Court Road, London, W1P 0LP, England. Telephone 34-52-3888 - Telex 79422.

SAVE & PROSPER BALANCED FUND Société d'Investissement à Capital Variable 2, Boulevard Royal - Luxembourg R.C. Luxembourg B - 22823

Floating-Rate Notes

Table with columns: Issuer/Note, Coupon, Maturity, Bid, Ask. Includes entries for Citicorp, Citicorp, Citicorp, etc.

Pounds Sterling

Table with columns: Issuer/Note, Coupon, Maturity, Bid, Ask. Includes entries for Abbey, Abbey, Abbey, etc.

Deutsche Marks

Table with columns: Issuer/Note, Coupon, Maturity, Bid, Ask. Includes entries for Deutsche, Deutsche, Deutsche, etc.

Japanese Yen

Table with columns: Issuer/Note, Coupon, Maturity, Bid, Ask. Includes entries for Daiwa, Daiwa, Daiwa, etc.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 15th Sept. 1987. Table with columns: Fund Name, Bid, Ask. Includes entries for ALMAGRO GROUP, ALMAGRO GROUP, ALMAGRO GROUP, etc.

CURRENCY MARKETS

Dollar Beamed Amid Trading Lull

Compiled by Our Staff From Dispatches NEW YORK — The dollar closed slightly lower Tuesday in modest trading as investors consolidated positions in the absence of incentives.

"Today's trading was in a very narrow range," said Jody Folkes of Harris Bank in Chicago. "The dollar did test the upside resistance point of 1.8225 Deutsche marks and 145 yen, but before ending slightly lower."

The dollar closed at 1.8115 DM, down from 1.8180 DM at Monday's close. It slipped to 143.60 yen from 144.55, to 6.0450 French francs from 6.0695 and to 1.5015 Swiss francs from 1.5090.

The U.S. currency also lost ground against the British pound, which closed at \$1.6465, against \$1.6365 Monday.

In Tokyo, the financial markets were closed for the Respect for the

London Dollar Rates

Table with columns: Currency, Bid, Ask, and other market data for London Dollar Rates.

Aged national holiday. They will reopen Wednesday.

"There was a bit of a lull with Tokyo out," Mr. Folkes said. "The market is not sure what to do next."

He said that the dollar might test the level of 1.82 DM before the release Friday of revised data on the second-quarter U.S. gross national product.

However, "G-7 will be the next critical factor in the marketplace," Mr. Folkes said, referring to the meeting in Washington later this month of the Group of Seven na-

U.S. Trade Gap At \$41.1 Billion, Quarterly High

WASHINGTON — The U.S. deficit on the broadest measure of trade widened to a record \$41.1 billion in the second quarter, the Commerce Department said Tuesday.

That represents a \$4.3 billion increase from the revised first quarter deficit of \$36.8 billion. It previously was figured at \$37.1 billion. The previous quarterly record was \$38 billion in the last quarter of 1986.

The report tallies up nearly all U.S. trade, including merchandise, cash flows and trade in services.

The department said that imports of goods and services rose \$5.5 billion in the April to June quarter, to a total of \$138.2 billion, while exports gained just \$1 billion to reach \$100 billion.

COMMODITIES: As Prices Rise, Shortages Fail to Explain Momentum

(Continued from first finance page) explain what has happened. "It's gone too far to be dismissed as the result of special factors, such as strikes or droughts," said John H.K. Brunner, chief economist of Broken Hill Pty., the Australian natural resources company.

Mr. Brunner also said that the price rise was not simply a result of the decline in the value of the dollar. (Most commodities are priced in dollars.)

Prices have risen in other currencies as well, though not so dramatically as in dollar terms. The Economist index of industrial commodity prices, for example, has risen by 25.8 percent in the last year even when measured in a currency unit based on a blend of currencies.

Some economists, including Mr. Brunner, attribute the price increases in part to stockpiling by customers who are worried about price increases.

Some economists said that although the building of stockpiles led to higher prices, the climb has taken on a momentum that defies easy explanation. And expectations of further price increases become self-fulfilling as corporate customers see prices rise and rush to build their inventories even further.

By contrast, prices of food commodities have not risen. Indeed, when adjusted for exchange-rate movements, prices of food commodities such as sugar and wheat have declined.

Last week, cocoa prices dropped to their lowest level since early 1983. Moreover, most economists say that the glut of food commodities is severe.

Robert Fish, managing director of Primary Commodity Research Ltd., a London consulting firm, said that "a chronic oversupply" of leading food commodities is likely to continue, largely because of government policies that encourage overproduction by paying prices to farmers above market levels.

"There's no sign that governments, especially in the European Community, are coming to grips

Oil Prices Rise in Absence Of Progress On Gulf Peace

NEW YORK — Oil prices rose on world markets Tuesday as the United Nations secretary-general, Javier Pérez de Cuellar, left the Gulf after failing to persuade OPEC members Iraq and Iran to accept a cease-fire in their nearly seven-year war.

Analysis said prices also were supported by Kurdish guerrillas' claims that they attacked Iraqi forces and seized a district on the Turkish border near Baghdad's oil pipeline to Turkey.

On the New York Mercantile Exchange, West Texas intermediate, the benchmark U.S. crude, closed 9 cents higher at \$19.70 a barrel. It had reached \$19.93 but eased on speculation that the United States may win UN support for

Baker Says U.S. Was 'Late' in Addressing Trade Deficits

WASHINGTON — Treasury Secretary James A. Baker 3d said the Reagan administration was "a little late" in dealing with the U.S. trade deficit, but asserted that the trade picture is improving despite last month's record \$16.47 billion deficit.

"In a speech Monday at the Institute for International Economics, he also said the Reagan administration is urging major changes in the expected congressional trade bill before it is sent to the president.

Differing bills from the House of Representatives and Senate are now being reconciled in a conference committee.

Major elements of the bills are aimed at the administration's generally hands-off attitude during the first term of the Reagan presidency to rising trade deficits and the soaring value of the U.S. dollar. The dollar made American products too expensive to compete overseas and increased the cost of foreign goods entering the United States.

In 1985, when Mr. Baker became Treasury secretary, he reversed administration policy, leading to a more aggressive trade policy and a 41 percent drop in the dollar's value against the yen since September 1985 and a 36 percent drop against the Deutsche mark.

"For the last several years," Mr. Baker said, "no administration has worked harder than we have against subsidized imports and trade barriers abroad."

He added: "We may have been a little late in starting, but we have lacked nothing over the course of the past two-and-a-half years."

Mr. Baker said that while there were several elements of the congressional legislation that were reasonable, the proposals contain measures that could be harmful as the Smoot-Hawley Tariff Act of 1930, a protectionist law that is widely credited as a major factor in causing the Depression.

In particular, Mr. Baker said, the bills contain measures limiting presidential discretion in unfair trade cases that would result in "protec-

Oil Prices Rise in Absence Of Progress On Gulf Peace

an arms embargo against Iran to force Tehran to negotiate with Iraq.

On the European spot market, Britain's North Sea Brent crude climbed by 40 cents to \$18.60.

Analysis said Iraq is exceeding its output under its Organization of Petroleum Exporting Countries quota by nearly 700,000 barrels a day to pay for the war.

"A cease-fire in the Gulf war would be a dramatic short-term negative for the oil market," said Sanford Margoshes, analyst at Shearson Lehman Brothers Inc.

Analysis said an end to hostilities would let Iraq and Iran produce more oil and allow other Gulf producers to step up exports without fear of attacks on their shipping.

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(Reuters, UPI)

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Tuesday's OTC Prices NASDAQ prices as of 4 p.m. New York time. Via The Associated Press.

Table of OTC prices for various stocks, including columns for stock name, price, and change.

Table of stock prices for various companies, including columns for stock name, price, and change.

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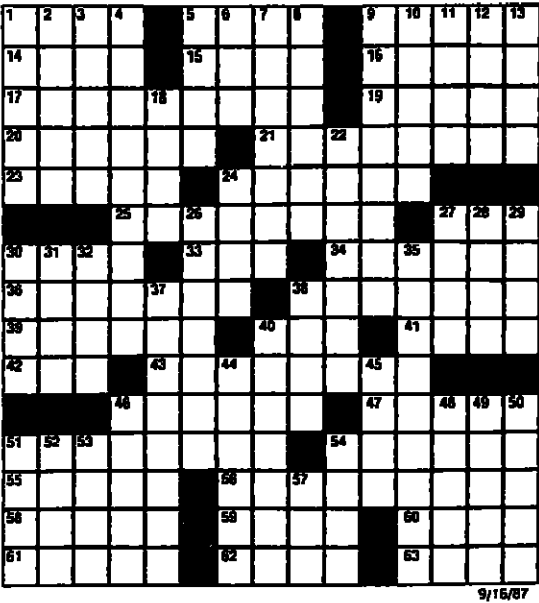
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Tuesday's AMEX Closing Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

COMPANY HANDBOOK 1987 Published by the National Business Development with the International Herald Tribune

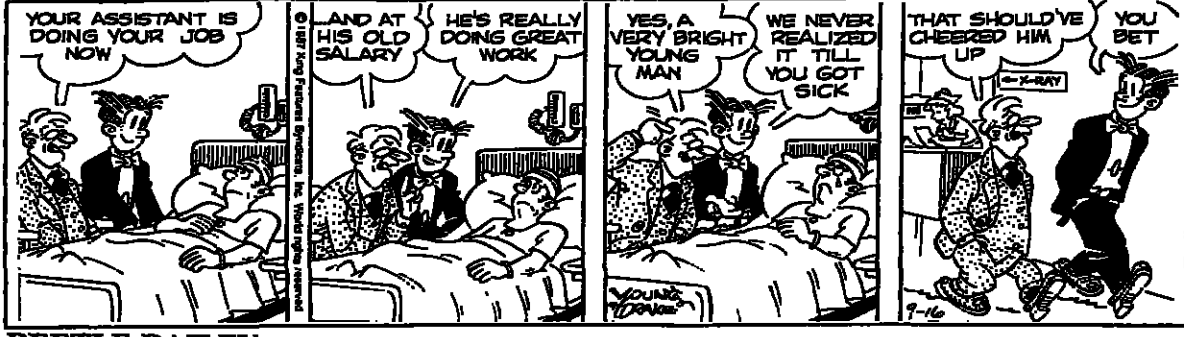


ACROSS 1 Rock singer Andy 3 Stringent 4 Nosh's delight 14 Humdinger 15 Anderson of TV 16 Stopper 17 Recommended 18 Stubborn as 20 Preliminary races 21 Lovely 22 Earl of Triple Crown fame 24 Looked popeyed 25 Maneuvered for position 27 Hee follow-up 30 Name on Japanese ships 33 Rand of "Atlas Shrugged" 34 Date for hure 36 Beasis 38 Big Red of horse racing 39 "my Lou" 40 Rhyme feeder 41 Sell 42 Owns 43 Slide instrument 46 Des... Iowa 47 Bay window

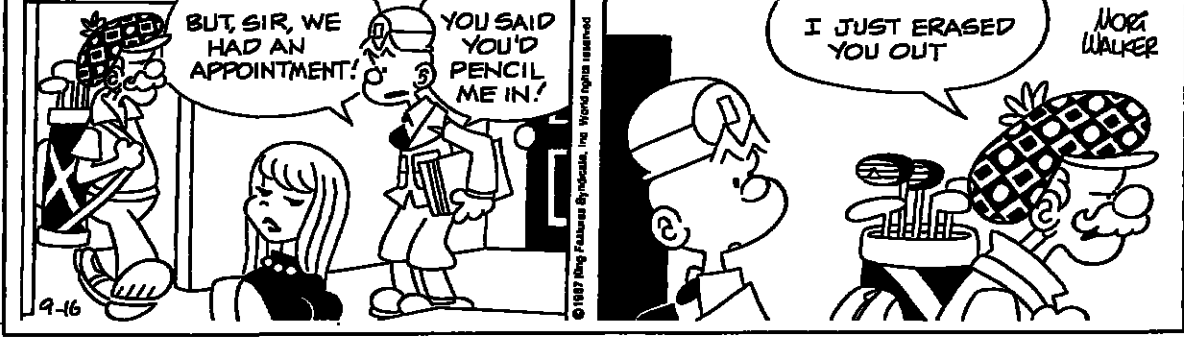
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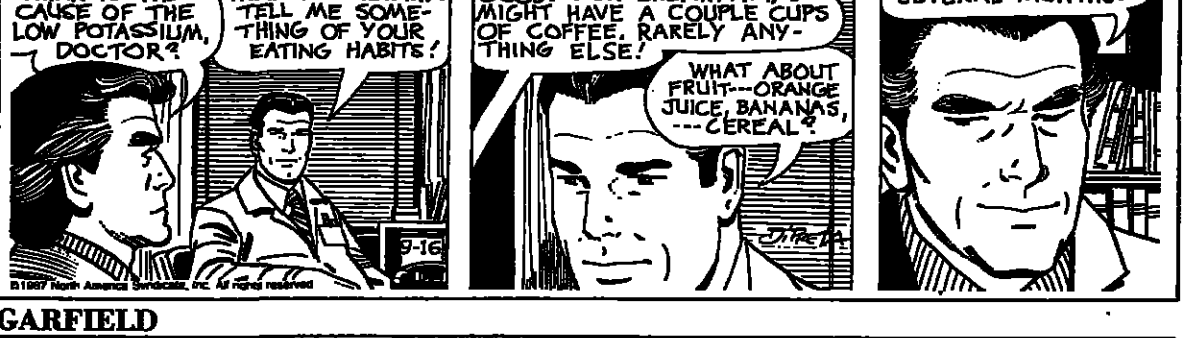
ANDY CAPP



WIZARD of ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words. MAXIO, TUCOL, BOUFLE, JERIGG

WEATHER

Table with weather forecasts for Europe, Asia, Latin America, North America, Middle East, and Oceania.

World Stock Markets

Table showing closing prices in local currencies for various stock markets including Amsterdam, London, Frankfurt, Hong Kong, Paris, Singapore, Sydney, and Toronto.

BOOKS

WHO GOES FIRST? The Story of Self-Experimentation in Medicine by Lawrence K. Altman, M.D. 430 pages. \$22.50. Random House, 201 East 50th Street, New York, N.Y. 10022.

AN enduring theme in science fiction, indeed in general literature, is that of the slightly mad scientist who carries out a daring and noble experiment on himself and is ultimately destroyed by it in some grotesque way.

Some of the stories are in part familiar reruns. Like the stories of Walter Reed and Louis Pasteur, and the well-publicized tale of the Air Force's Dr. John Paul Stapp, who strapped himself into a rocket sled and blasted off near the speed of sound to determine how many G's of acceleration and deceleration the human body could withstand.

Not all of Altman's subjects who were first survived their self-imposed ordeal. Jesse Lazear, an musing hero of the war on yellow fever, took the bite of a mosquito and died in agony.

BRIDGE

By Alan Truscott. THOSE who like to solve at leisure the difficult problems in play and defense that crop up at the card table should cover the East-West cards in the diagramed deal and plan the play in three no-trump. West has opened three hearts and led the heart king.

Table with bridge scores and solutions for various deals, including a 'Market Closed' notice for Tokyo.

Lendl's 3d

By John Feinstein. NEW YORK — When it finally ended after many hours after it began, when Ivan Lendl and Mats Wilander won his third Wimbledon championship, they gave him a check for \$1 million.

Not-Super C Humbled by

By Frank Litsky. CHICAGO — The big game, the winner of Super Bowl XXI against the Los Angeles Rams, was a bust.

SCOREBOARD

Table showing football scores for American and National Conferences, including teams like the Redskins, Cowboys, and Bears.

SPORTS

Lendl's 3d U.S. Open Title Is the Longest Time Coming

By John Feinstein

NEW YORK — When it finally ended Monday evening, many hours after it began, Ivan Lendl finally collected Mats Wilander to win his third straight U.S. Open championship...

swung at a forehand return. On the seventh match point, Navratilova pounced a forehand volley down the middle, then leaped into Sanchez's arms.

are bound to hit some remarkable shots. Most notably, Lendl, facing two set points in the third set, came up with four straight huge first serves, then played a terrific tie-breaker...

breaker. Wilander closed to 5-4, but Lendl came up with two more big serves, the second an ace, and had the set.



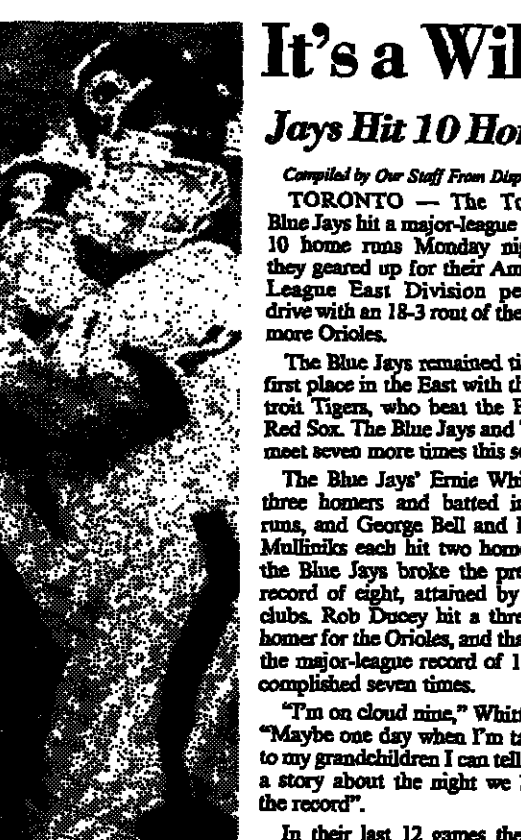
Mats Wilander swung and swung but could not get the breakthrough points he needed in the 4-hour, 47-minute men's final at the U.S. Open.

Not-Super Giants Humbled by Bears

By Frank Litsky

CHICAGO — The big game, the winner of Super Bowl XXI against the winner of Super Bowl XX, often talked about as if it were a Super Bowl in itself, was a bust.

Phil Simms, the Giants' quarterback, was downed and nearly knocked out by the Bears' Dan Hampton and Richard Dent.



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It's a Wild Night for Major League Baseball

Jays Hit 10 Homers Against Orioles

By Staff From Dispatch

TORONTO — The Toronto Blue Jays hit a major-league record 10 home runs Monday night as they geared up for their American League East Division pennant drive with an 18-3 rout of the Baltimore Orioles.

Cards Err on Goof

Compiled by Our Staff From Dispatch

PHILADELPHIA — Von Hayes and Greg Jelsk almost pulled a homer Monday night that would have made New York fans forget Fred Merkle...

There'll Be Some First-Class Acts Wednesday, but Not by UEFA

International Herald Tribune

LONDON — So who governs soccer anyway? The Union of European Football Associations, or UEFA, likes to project itself as lord and master of its territories...

Rob Hughes

although Napoli won Sunday's opening league game in Caserta, Salvatore Bagni scored the only goal.

tomish home scores. This time the house will be empty. No one but journalists and a couple dozen television engineers will be admitted.

Still, if one Italian club will play to empty house, another is guaranteed a stadium bursting at the seams.

SCOREBOARD

Table with columns for Football, NFL Standings, College Top 20s, Monday's Line Scores, and Baseball.

Table with columns for Baseball, Transition, and Football.

Table with columns for Major League Standings and National League.

Advertisement for Blancpain watches, featuring a watch image and text: 'Since 1735 the oldest name in swiss watchmaking. But don't expect to find a quartz in a Blancpain watch. You won't. And you never will.'

OBSERVER

Overcoming the Gore

By Russell Baker
NEW YORK — At some point back there around "Platoon," I started closing my eyes when the shooting started. I was ashamed. "Just like a girl," I thought, and was immediately ashamed again. This time for thinking sexist thoughts. There are so many things to be ashamed of nowadays, at least if you're over 29.

While watching "Robocop" the other night I was reminded of that terrible band of overworked doctor handers me long ago. The movie has one of the monumentally revolting moments in the annals of entertainment, when a psychopath blows the hero's hand off with a shotgun, for no apparent reason except the scriptwriter's urge to have the psychopath say, "Somebody give him a hand."

'60 Minutes': A TV Hit at 20 Years

By Peter J. Boyer
NEW YORK — The morning had just begun and Don Hewitt was already quite agitated, which drew no special notice, as agitation is Hewitt's natural state. The executive producer of "60 Minutes" was aroused by a magazine advertisement trumpeting the fall schedule of the CBS television network. It listed every show but one — Hewitt's "60 Minutes."



Harry Reasoner, Morley Safer, Ed Bradley (seated), Diane Sawyer, Mike Wallace face producer Don Hewitt.

making for relatively weak competition. There, all the latent commercialism of "60 Minutes" bloomed, and it was quickly apparent that Hewitt's program was anything but another news broadcast. It was a new-entertainment hybrid, news as a show. Hewitt thought of his correspondents as "a repertory group of reporters." They are paid show-business salaries — each of the correspondents earning about \$1 million a year and Hewitt himself earning approximately \$2.5 million annually.

been some family bickering. When Sawyer was being discussed as a possible co-anchor with Rather on "Evening News," or as the host of her own news series, Hewitt is said to have been outraged. Sawyer, on the road for "60 Minutes" last week, said, "I love '60 Minutes.' '60 Minutes' is where I want to be." Earlier in the year, there was some grief between Hewitt and Andy Rooney, the resident humorist whose segment, "A Few Minutes With Andy Rooney," has been one of the most popular portions of the broadcast since it started in 1978. Rooney, who spent most of his career at CBS as a writer, refused to appear on "60 Minutes" when CBS News last winter. Hewitt observed that Rooney continued to collect his salary and to use CBS news offices to write his newspaper column during the strike and openly considered replacing Rooney on the show.

For all the excitement that Hewitt and his unit occasionally stir inside CBS News, "60 Minutes" has mostly been the source of torment for the other networks, the linchpin of an unassailable Sunday-night lineup. Brandon Tartikoff, the president of NBC has given up trying to overtake "60 Minutes" by "reconstructing programming" by placing a show appealing to a different type of audience opposite "60 Minutes." But next year, Tartikoff said, NBC will go after "60 Minutes" with something new: a show being called "90 Minutes" that would be an all-out, network-wide effort. He declined to elaborate.

PEOPLE

North for President?

Great, Says Fawn Hall

Fawn Hall, the former secretary of Lieutenant Colonel Oliver North, thinks "it would be great" if her former boss ran for president. In an interview for ABC, Hall also said she "would be crushed" emotionally if either North or his one-time boss, Rear Admiral John Poindexter, were indicted in conjunction with the Iran-contra affair. ABC News, in releasing excerpts before the broadcast, disclosed that although it had said earlier there had been no restrictions placed on the questions that Barbara Walters could ask Hall, one of Hall's "new lawyers" changed that before the interview was to be held, saying that there were things Hall could not discuss because it might jeopardize her limited immunity against prosecution.

President Ronald Reagan is not going to like all those anti-contra photo murals in 25 Washington subway stations, especially since the artist was his right to buy space for his work in a U.S. Court of Appeals decision written in 1984 by Judge Robert H. Bork, the president's nominee to the Supreme Court. Metro officials had refused to sell advertising space to Michael Lebron for his photo montage titled "Tired of the Jelly Bean Republic" which depicted Reagan and administration officials laughing at poor people and racial minorities. Metro officials refused to display the work — a composite of photographs — saying it was "obscene." The court ruled that Lebron's right of free speech had been violated, and Bork wrote that the censorship was unwarranted. Now comes Lebron with new posters in Metro stops. In bold type on each poster are the words: "We say we're against terrorism. In Nicaragua we're supporting it."

Three professors were awarded \$170,000 prizes Tuesday in Milan by the International Balzan Foundation for outstanding research in psychology, anthropology and medieval history. An American, Jerome Seymour Bruner, 71, a Harvard professor, was cited for work involving human psychology. Also honored were a South African professor, Phillip V. Tobias, for his studies in anthropology, and Sir Richard William Southern of Britain for medieval history.

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